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THE WEATHER — PARIS: Friday, showers. Temp. 14-4 (57-39). LONDON: Friday, showers. Temp. 12-4 (54-39). CHANNEL: Rough. ROME: Friday, fair. Temp. 19-6 (66-43). FRANKFURT: Friday, showers. Temp. 12-3 (54-36). NEW YORK: Friday, sunny. Temp. 19-7 (66-45).

ADDITIONAL WEATHER DATA — PAGE 18

Algeria	5.50 Dn.	Israel	I.S. 22.00	Norway	5.00 N.Kr.
Austria	17 S.	Italy	1000 Lire	Oman	0.700 Rials
Bahrain	0.650 Din	Jordan	450 Fils	Portugal	45 Esc.
Belgium	33 B.Fr.	Kenya	Shs. 16.00	Qatar	6.50 Rials
Canada	C.$ 1.10	Kuwait	500 Fils	Rep. of Ireland	90 P.
Cyprus	400 Mills	Lebanon	fl3.50	Saudi Arabia	6.00 Rials
Denmark	6.00 D.Kr.	Libya	L.Dm. 0.35	Spain	80 Pes.
Egypt	90 P.	Luxembourg	33 L.Fr.	Sweden	5.00 S.Kr.
Finland	5.00 F.M.	Madeira	50 Esc.	Switzerland	1.90 S.Fr.
France	4.50 F.	Malta	35 Cents	Tunisia	0.500 Din
Germany	2.00 D.M.	Morocco	5.50 Dh.	Turkey	T.L. 150.00
Great Britain	35 P.	Netherlands	2.25 fl.	U.A.E.	6.50 Dirh
Greece	45 Drs.	Nigeria	100 K.	U.S. Mil. (Eur.)	50.85
Iran	135 Rials			Yugoslavia	35 D.

U.S. Talks On Budget Fall Apart

Both Sides Call Accord Unlikely

By Howell Raines
New York Times Service

WASHINGTON — Budget negotiations between President Reagan and Democratic congressional leaders have fallen apart, and participants in a three-hour meeting in the Capitol said there is almost no chance that the budget deadlock can be resolved through a bipartisan compromise.

House Speaker Thomas P. O'Neill Jr. said the negotiations Wednesday failed because of a "basic philosophical disagreement" that emerged between him and the president.

Mr. Reagan was to go on television Thursday night to lay out his side of the controversy. Democrats have asked the networks for equal time.

The task of putting together a budget for next year now falls to the leaders and committees of Congress. A result, according to administration officials, is likely to be more uncertainty than ever over the size of the deficit in the next three years.

Wall Street responded pessimistically to the news, though stock analysts said they believed that the impact would be short-term. The Dow Jones industrial average closed off 7.70 points at 844.94. [Details, Page 13.]

The collapse of Wednesday's talks appeared to be an overture for an election-year battle in which the outcome of the budget contest could help determine control of Congress.

Economists say the failure of the budget talks hurts prospects for a sustained recovery. Page 3.

The Senate majority leader, Howard H. Baker Jr. of Tennessee, said that Mr. Reagan offered a three-month delay in the effective date of the 1983 income tax cut in an effort to reach a compromise with his congressional opponents. Sen. Baker and other Republican leaders said that Mr. Reagan, by altering his heretofore absolute opposition to any change in his tax program, had walked "the extra mile" to avoid a partisan battle over the budget for the fiscal year 1983.

But Democratic participants insisted that Mr. Reagan agreed to delay the tax cut for three months only if they agreed to a three-month delay in the cost-of-living increases in 1983 in Social Security and other benefit programs that the Democrats want to protect.

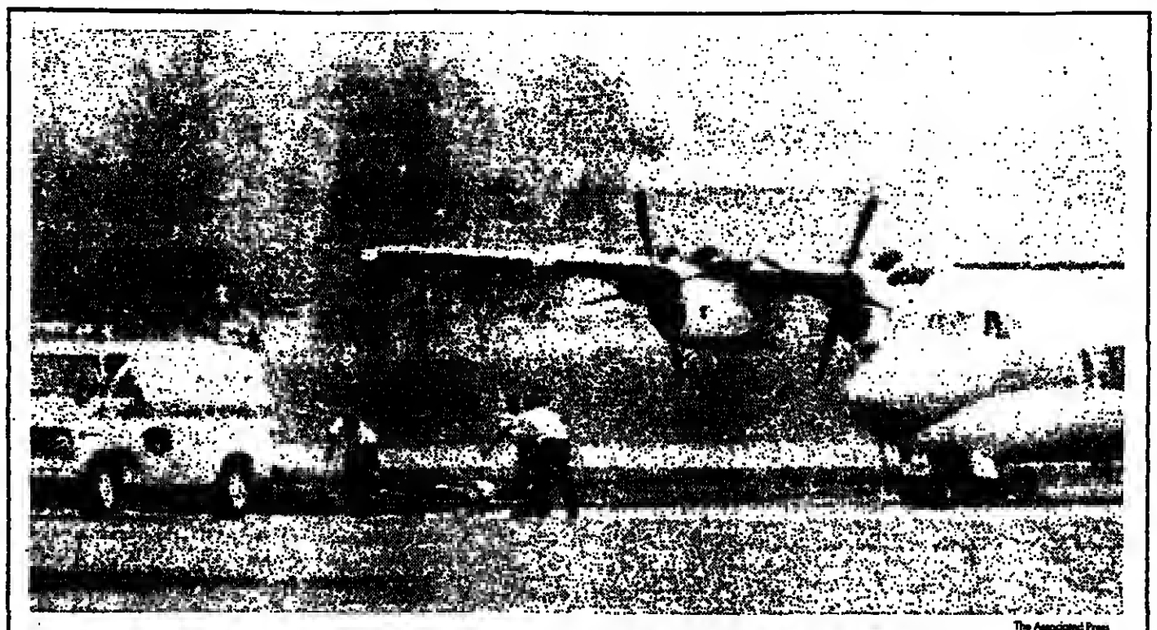
The partisan nature of the year's first head-to-head budget session between Mr. Reagan and Rep. O'Neill was evident from the outset, as Rep. O'Neill opened the meeting by protesting the seating plan that placed him next to the president.

Changing Sides

Rep. O'Neill's aides said the Massachusetts Democrat moved to the opposite side of the table because that is the normal seating order in a bargaining session.

Republican congressional aides countered that Rep. O'Neill had to be closer to two fellow Democrats in attendance, Rep. Jim Wright of Texas, the House majority leader, and Rep. Richard Bolling of Missouri, the chairman of the Rules

(Continued on Page 3, Col. 1)



The Associated Press

HONDURAN HIJACKING — A man is taken to an ambulance after being released by hijackers in Honduras. He was among 16 freed hostages, but 28 were still held Thursday. The hijackers demanded the release of 32 prisoners. Page 2.

Argentina Holds the Key To Peace, Thatcher Says

Buenos Aires Official Sees Useful Points in U.S. Plan

Reuters

BUENOS AIRES — New U.S. proposals on the Falkland Islands contain useful elements and have not been rejected, the Argentine interior minister, Alfredo Saint Jean, said Thursday.

He rejected any compromise on Argentine claims to the islands but added, "We are open to the possibility of continuing negotiations ... even on the basis of this proposal."

But the Argentine news agency Telam said that Argentina had told the United States that its latest proposals for resolving the crisis were unsatisfactory and required further clarification.

In a report from Washington, the agency said that the Argentine reply had been given to Thomas O. Enders, U.S. undersecretary of state for inter-American affairs.

In Washington, the White House said Thursday that it had little basis for optimism that the dispute between Argentina and Britain could be settled peacefully. Larry M. Speakes, a deputy press secretary, read a statement that said, "The situation remains very serious." He said there had been "no movement" toward a diplomatic solution.

'We Remain in Touch'

"There is little basis for optimism, but we remain in touch with both parties," the statement added.

Mr. Speakes said the statement was issued on the basis of reports received by the White House from the State Department, where Secretary of State Alexander M. Haig Jr. continued his efforts to aid in a settlement.

He said Mr. Haig had briefed President Reagan on the situation Thursday morning as Britain's battle fleet approached the Falklands, which were seized by Argentina on April 2.

"We still seek a diplomatic solution," Mr. Speakes said. "We remain at the call of both parties to be helpful in any fashion we can."

Based on Earlier Calls

Washington's latest ideas on the dispute have not been made public officially, bot U.S. officials said they were based on earlier calls for Argentina to withdraw its troops from the islands and for Britain to relieve its naval pressure on Argentina.

A British fleet was taking up battle stations off the Falklands to impose a total air and sea blockade around the islands Friday. About 10,000 Argentine troops are stationed on the islands.

Argentines Divided

The newspaper La Nacion said the government had been divided and that a working group led by Gen. Saint Jean had recommended rejection of the U.S. plan. Another committee composed of members of Argentina's mission to the Organization of American States "had not been so categoric," it said.

The Buenos Aires daily Clarin said the OAS group included Foreign Minister Nicanor Costa Mendez, who held talks in Washingtoo with Mr. Haig.

The junta announced Wednesday that an assault near the Malvinas, the Spanish name for the 200-

(Continued on Page 2, Col. 1)

'Persuasion' Won't Work, British Parliament Is Told

By R.W. Apple Jr.
New York Times Service

LONDON — As the dispute over the Falkland Islands moved toward possible confrontation, Prime Minister Margaret Thatcher asserted Thursday that "the key to peace is in the hands of the Argentine government."

Mrs. Thatcher opened an emergency debate in the House of Commons, the fourth since Argentina invaded the islands four weeks ago, with a reaffirmation of her view that "gentle persuasion is oot going to make the Argentine government give up what it has seized by force."

She rejected, for the moment at least, demands from the opposition that she turn to the United Nations or to the Internatiooal Court of Justice in an attempt to avoid war.

The prime minister's tone sounded to many members of Parliament slightly less intransigent than on other recent occasions. She was noncommittal, rather than hostile, in discussing the peace proposals of U.S. Secretary of State Alexander M. Haig Jr., and she did not warn the Argentines that time for diplomacy was running out.

Europe's initial support for Britain seems to be weakening as the possibility of war rises. Page 2.

U.S. companies have become increasingly concerned about their operations in Argentina. Page 13.

But she reminded the House that in less than a day a total air and sea blockade would be put into effect by the British naval task force in a 200-mile (320-kilometer) zone around the Falklands. The fighters, helicopters, ships and submarines of the flotilla will begin enforcing the "no-go" zone Friday.

Any attempt by Argentine ships or planes to challenge the blockade could touch off a full-scale conflict, as could British landings in the Falklands, which are still expected sometime this weekend.

British officials were waiting for the Argentine junta's response to Mr. Haig's proposals. It has been reported from Washington and is generally believed in political circles in London that Mrs. Thatcher agreed to delay any new military action for three days, ending Friday, to give the junta time to weigh the proposals. She challenged President Leopoldo Galtieri to accept them.

"There can be no doubt where the intransigence lies in this matter," the prime minister declared. "The key to peace is in the hands of the Argentine government. The responsibility is theirs."

According to Foreign Office sources, the government would continue to seek a negotiated settlement, possibly through the United Nations, even if fighting broke out in or around the Falklands. But Mrs. Thatcher told the Labor Party, which has called for greater United Nations involvement immediately, that the time was not ripe for UN action.

She said Secretary-General Javier Pérez de Cuellar still wanted to wait until Mr. Haig's initiative had run its course.

Michael Foot, the opposition leader, again clashed

(Continued on Page 2, Col. 1)

U.S. Aide Suggests Summit Without Brezhnev

By Lou Cannon
Washington Post Service

WASHINGTON — A White House official has suggested publicly for the first time that the United States is willing to engage in a summit meeting with a Soviet leader other than ailing President Leonid I. Brezhnev.

Norman Bailey, director of planning for the National Security Council, said Wednesday it would be "entirely appropriate" for President Reagan to meet with Premier Nikolai A. Tikhonov if Mr. Brezhnev, who is 75, is too ill.

Mr. Bailey said, "The Soviet leadership is in considerable disarray. Brezhnev is quite ill, and this situation could continue for some time. There are a number of candidates to succeed him and no obvious successor.

"For all practical purposes, there has been a collective leadership in the Soviet Union since Stalin died, and this has become more evident recently.

"So it may not be realistic for the president to meet with Brezhnev. But it would be entirely appropriate for him to meet with someone like Tikhonov, who is premier and head of government.

"He's not considered a likely successor to Brezhnev and therefore would not be perceived as threatening to other members of the Politburo."

The bluntness of Mr. Bailey's remarks reportedly disturbed high-level White House officials, including national security adviser William P. Clark. Until Wednesday, administration officials had deliberately refrained from publicly commenting on Mr. Brezhnev's illness.

White House deputy press secretary Larry M. Speakes, commenting on Mr. Bailey's statements, said, "He was giving his own views and not necessarily those of the administration."

Mr. Bailey said later in the day that he was speculating frankly about the course a summit might take. But he added that the Russians were "very anxious" to have a summit and were being restrained only by Mr. Brezhnev's illness.

"At this point, we're throwing out signals saying that we should have a summit, and they're throwing signals back saying, 'Don't be precipitous', " Mr. Bailey said. "Brezhnev's illness is the reason."

Mr. Bailey cited President Lyndon B. Johnson's meeting with Premier Alexei N. Kosygin in 1968 as a precedent for a presidential meeting with the Soviet head of government. Although Kosygin held the same position as does Mr. Tikhonov, he was a far more powerful figure in the Soviet hierarchy.

Mr. Bailey's comments reflected a widely held view within the administration that a summit will be held when the question of Mr. Brezhnev's availability is resolved. Mr. Bailey said, "I'm betting on a summit this year."

On April 5, Mr. Reagan invited Mr. Brezhnev to meet him in New York in June. Mr. Reagan said he would go to New York to address a United Nations conference on disarmament and invited Mr. Brezhnev to do the same.

Proposal Rejected

Administration spokesmen declined to describe any such meeting as a summit. Mr. Brezhnev rejected the proposal, suggesting instead a fall summit in Europe.

At the time he issued his invitation, Mr. Reagan was careful to observe protocol, saying "we have no confirmation" that Mr. Brezhnev is ill. Privately, bowever, administration officials have described Mr. Brezhnev's illness as the major barrier to an immediate summit.

One administration official said Mr. Bailey "even in speculatioo said more than he should have said," but the official also expressed the view that a summit is likely this year.

U.S. Plans Invitation to Talks

WASHINGTON (AP) — Declaring that "everyooe would lose" in a nuclear war, Secretary of Defense Caspar W. Weinberger told Congress on Thursday that President Reagan would invite the Soviet Union to start strategic arms reduction talks "in the oear future."

Mr. Weinberger made the statement before the Senate Foreign Relations Committee, which began a series of hearings on proposals to freeze nuclear arms or to revive the never-ratified SALT-2 agreement between the United States and the Soviet Union to limit strategic bombers and intercontinental ballistic missiles.

"Concern has been expressed that the Reagan administration has not moved fast enough on arms reductions negotiations, that we have been wasting time," Mr. Weinberger said. "Actually, we have gained time." He said the administration had done so by initiating its "long-term program to improve the stability and security of our nuclear deterrent force, thus providing the only basis for negotiations that can lead to real reductions."

Israeli Troops Kill 2 Arabs on the West Bank

By William Claiborne
Washington Post Service

JERUSALEM — A new cycle of violence erupted in the occupied West Bank Thursday as Israeli troops opened fire on Arab youths, killing two students and wounding others in four towns.

A third youth died in a bospital of a gunshot wound he received April 12, bringing to 15 the total number of protesters reported by Arab sources to have been killed by troops or settlers since widespread protests began March 18.

An Arab news agency, the Palestine Press Services, said that in addition to the 15 killed, it had a list of more than 200 protesters wounded in clashes with Israeli security forces since March 18.

An army spokesman said nine youths have been killed by gunfire since March 18, and that two soldiers have died, one stabbed to death in Jenin and another killed by a hand grenade in the Gaza Strip. He said that 90 Arabs had been wounded by gunfire, and that 33 soldiers and 16 civilians had been injured in rock-throwing clashes.

The wide disparity in the numbers of Arabs wounded has been attributed, in part, by both Israeli military sources and Palestinians to a reluctance by youths lightly wounded in clashes to seek hospitalization ont of fear of interrogation by the security forces.

The clashes Thursday underscored the incendiary nature of the violence in the West Bank, where reports of confrontations travel fast and sometimes fuel further violence.

The trouble began about 7:30 a.m in the small grape-growing town of Halhoul, on the outskirts of Hebron, when students on their way to classes raised an Palestinian flag, set fire to gasoline-soaked tires and erected crude rock barricades across the Jerusalem-Hebron road.

Arab sources said that when an army patrol arrived, the youths retreated to the courtyard of a nearby girls' elementary school, where they threw rocks and bottles at the Israeli soldiers.

The Israeli authorities said the soldiers first tried to disperse the crowd with tear gas and fired warning shots in the air, but that when the rock-throwing endangered the troops, they fired into the crowd, aiming at the legs of the students.

One student, Jamal Mousa Shalaldeh, 17, of the village of Sair, was shot in the throat and died on the way to a hospital. The army command said two other students were shot, but Palestinian sources said 15 students were shot, most of whom sought treatment for light gunshot wounds at private clinics.

Within an hour of Mr. Shalaldeh's death, word of the shootings reached his home village of Sair, near Hebron, and demonstrations erupted there, causing security forces to impose a curfew, military sources said.

The army command said that at about 10:30 a.m. the curfew was broken, and an army patrol clashed with youths, opening fire and killing Abdel Rahaim Abdel Jaradat, 17. Halhoul and Sair both remained under curfew Thursday.

Soon after Mr. Jaradat was killed, scores of youths took to the streets in Hebron, throwing rocks at army vehicles and cars driven by Jewish settlers until they were dispersed by troops firing warning shots. In Bethlehem, about 15 miles (24 kilometers) to the north, Arab youths attempted to storm the police station in Manger Square, opposite the Church of the Nativity, and were dispersed by tear gas and warning shots, the army command said.

United Press International

Argentine troops stand by their tents in a bivouac area in the Falkland Islands.

High U.S. Interest Rates Breed Rising Tension

By Carl Gewirtz
International Herald Tribune

PARIS — Unless U.S. interest rates fall substantially before the Versailles economic summit, observers are warning that the June 4-6 meeting risks marking the beginning of a fundamental cleavage between the United States and its European allies.

The key issue is the high level of U.S. interest rates. And the longer they persist, the more divisive they become.

NEWS ANALYSIS

Europeans wholeheartedly support U.S. policy objectives aimed at fighting inflation. Lamberto Dini, director-general of the Bank of Italy, said at a seminar organized by the Atlantic Institute in Paris on Wednesday. That policy, he said, promises to make "a fundamental contribution to the well-being of the world economy."

But, he added, "the period of adjustment is too long," keeping interest rates and the dollar too high and "delaying European recovery in those countries that can afford it."

Reagan administration officials currently are offering assurances that they are unhappy with the persistently high rates, that the U.S. economy — starting with the depressed housing and automobile industries — is suffering because of those rates, and that officials are at a loss to explain why the rates remain so high in light of declines in the U.S. inflation rate.

Washington takes great pride in the rapid deceleration of inflation, and officials believe that interest rates ultimately — indeed, imminently — will reflect this new reality and fall like a stone.

The problem is that Europe cannot wait. The essential difficulty is the impact these high U.S. interest rates have on the foreign exchange market, pulling interest-sensitive money out of other currencies into the dollar and driving up the dollar's exchange rate or, looked at the other way around, driving down the value of the European currencies.

The expensive dollar raises all kinds of import costs, not the least the price of oil, which, like most raw materials, is billed in dollars. With a fairly high degree of salary indexation to price indexes in most European countries, these increased costs get quickly translated into higher domestic production costs. As a result, domestic growth weakens.

The growth of exports resulting from a depreciating currency occurs too slowly to offset the downward pressures. To prevent import costs from rising even further, the Europeans are forced to minimize depreciation of their currencies by keeping their own interest rates high, which depresses domestic economic activity and fuels unemployment.

A secondary, bot also important, aspect of the high dollar interest rates is the added burden put on all countries who have large debts in dollars — whicb further depresses the potential for economic growth.

The dollar plunged Thursday, particularly against the Deutsche mark, in hectic trading. Page 13.

A reduction in U.S. interest rates would allow Europe to reduce its rates, and help spur domestic growth, without fear about the impact on the foreign exchange market.

But U.S. rates are not falling, in large part because of the concern in financial markets about the size of the U.S. budget deficit in the coming few years. In effect, the markets do not believe that inflation will remain contained or interest rates able to remain low if Washington persists in running deficits in the area of $100 billion a year in fiscal 1983-85, as many experts project.

Without getting into the rights or wrongs of the budget planning, Europe is insisting that for its own domestic economic reasons it must reduce its unnecessarily high interest rates, and that to do this while U.S. rates remain high it oeeds some protection on the foreign exchange market.

Put simply, if Europe acts alone to cut interest rates, the exchange rates will weaken further. If subsequently U.S. interest rates do not fall, if the administration has got it wrong and, as the Salomon Brothers economist Henry Kaufman warns, U.S. rates not only stay high but even rise substantially, Europe's exchange rates would stand exposed to a whirlwind depreciation.

Thus, Europe is insisting that Washington give up its benign neglect of the foreign exchange market and undertake with Europe a policy of joint intervention to smooth out exchange rate fluctuations.

Europe is not seeking to peg exchange rates to a fixed value — a policy that died when the Bretton Woods system of fixed exchange rates was abandoned in 1973. But it wants Washington to join in the expense of keeping rate movements stable.

For example, between President Reagan's inauguration in late January, 1981, and the following August, the Deutsche mark appreciated 28 percent against the dollar. Between August and November, the mark depreciated 15 percent.

(Continued on Page 15, Col. 4)

INSIDE

Russians Accused

The Reagan administration has accused the Soviet Union of spurring a worldwide race to sell arms to the Third World. Page 3.

Poles Set Free

Polish authorities began freeing 1,000 interned Solidarity unionists, farmers and scholars in the largest easing of martial law since the December crackdown. Meanwhile, a clandestine statement reported that four fugitive Solidarity leaders would try to revive union resistance while Lech Walesa remains jailed. Page 2.

Banking in Italy

A special report on banking and finance in Italy appears on Pages 9S-11S.

Note to Readers

Because French law forbids newspaper publication on May 1, there will be no Saturday-Sunday issue of the International Herald Tribune this week. Normal publication will resume next week.

Salvadoran Independent Is Elected

From Agency Dispatches

SAN SALVADOR — Alvaro Alfredo Magana, a politically independent banker, was elected provisional president of El Salvador by the Constituent Assembly on Thursday.

The vote was 36-17 with seven abstentions. It followed several days of maneuvering between the centrist Christian Democrats and five rightist parties.

Meanwhile, the government anoounced it was reimposing for 30 days the state of siege lifted during March to allow wide participation in the assembly elections.

The 60-seat assembly was elected March 28 and was empowered to choose a provisional president to replace the civilian-military junta, and to rewrite the constitution and schedule general elections, probably next year.

Mr. Magana, 56, a U.S.-educated economist who has headed the National Mortgage Bank for 17 years, is considered an independent who holds moderately conservative views.

He has pledged to make economic recovery his top priority for El Salvador, where leftist guerrillas have been fighting the ruling civilian military junta since it came to power in October, 1979.

The State Department and the armed forces had been trying since last week to convince a majority of the deputies to elect Mr. Magana. They suggested that El Salvador would risk losing U.S. economic and military aid if he were not elected and that it might risk a military coup.

On Wednesday, the assembly canceled for the second day in a row a session intended to name the new provisional president. The assembly president, Roberto D'Aubuisson, said the sessioo was canceled for lack of a quorum.

Mr. D'Aubuisson's ultra-rightist National Repnblican Alliance, known by its Spanish initials ARENA, was believed to be trying to pry apart a fragile alliance oo the presidential issue between the Christian Democrats and the rightist National Conciliation Party, which governed the country for 20 years and represented the landed oligarchy.

ARENA officials were telling National Conciliation's 14 deputies, who held the balance of power in the assembly's decision, that the army would not move against a duly elected rightist government and that the United States would not withdraw aid from a strongly anti-Communist government. They were thought to be pushing to use the combined rightist majority in the assembly to elect one of their own number.

An ARENA official said the March 28 election that gave four rightist parties 60 percent of the valid votes was a mandate to remove the Christian Democrats from the power they currently share with the military.

"The United States will have to respect the will of the people," the official said. "The army will never move, either. They put too much into those elections."

Politicians on both sides said that National Conciliation deputies were deeply split.

The reimposition Wednesday of the state of siege suspends a number of constitutional guarantees.

The state of siege had been in force for two years before being lifted in March. Siege regulations empower officials to read private mail, limit freedom of expression and ban individuals from traveling abroad.

The state of siege was decreed for 30 days, but it can be extended, following recent custom. The regulations, originally imposed only for a month in March, 1980, were extended every 30 days until they were allowed to lapse last month.

The guerrillas, meanwhile, appear to have escalated the war in the countryside, offering strong resistance to a new military offensive in eastern Morazán province. The rebels also overran the town of Los Perez in northern Chalatenango province, while military patrols were reported sweeping western Santa Ana province in search of guerrillas, who previously have not been much in evidence there.

Fear of War Softens Europe's Pro-U.K. Mood

By Richard Edet
New York Times Service

PARIS — For the rest of Europe, the rationale for the gradual progress of the British fleet toward the Falkland Islands has also been similar to the rationale for a nuclear deterrent: the point was not to use it.

In the days after the Argentine landing on April 2, Britain's European partners gave unqualified support to its vigorous reaction. Now that the fleet has arrived and seems about to go into action, the mood has changed. Britain's allies still support it publicly, and officially the latest backing was registered Tuesday at a European Economic Community meeting in Luxembourg.

A cartoon in Thursday's Le Monde newspaper expressed it. A caricature of Alexander M. Haig Jr., the U.S. secretary of state, has moved his negotiating table to the bottom of the sea, and gloomily waits for the Argentine and British ships above him to destroy each other and sink to talking level.

Britain was right, the West German Süddeutsche Zeitung said Wednesday, but this did not remove the fact that an absurdity was turning into a tragedy. "If London does not want to gamble away international good will," the newspaper continued, "it can seek only a peaceful solution — with the aid of the United States, the Europeans or the UN."

At the meeting in Luxembourg, Belgium's foreign minister, Leo Tindemans, announced that the EEC continued to support Britain. But he also stressed the need to find a diplomatic solution. The substance of Mr. Tindemans' words was no different, technically, from what the British are saying, but the emphasis was shaded.

The Italian foreign minister, Emilio Colombo, supporting this emphasis, noted that Italy would be in a difficult position if British troops were used against Argentines, many of whom are of Italian descent.

Italian Foreign Ministry sources said that Italy would continue to hope "until the last minute that mediation will succeed," but they would not speculate on what the position would be if matters deteriorated.

The French government has not budged from its initial, unequivocal support for firm British action. Neither has the West German government, officially. But German officials say that military escalation would cause them to reconsider the situation.

West Germany is Argentina's biggest trade partner in Europe, and a principal supplier of weapons. Not long ago, the West German government stopped calling the disputed territory the Falklands and began referring to it as the Falkland-Malvinas. Although this was officially explained as a measure to match UN terminology, officials did not hide the fact that it was intended as a gesture to the Argentines.

If there has been a slight drop in the level of initial support, there are a number of reasons for it.

Originally, there was the fact that Britain was an ally and that Argentina was, politically and geographically, remote from most of the European nations. The fact that, whatever the respective historical claims, Argentina was the aggressor, counted as well.

In the case of the French, there was the additional reflection that if small bits of former empire are to be seized by Third World countries because of geographical proximity, France has a rock or two of her own that could be at issue.

The notion that a member of the Western alliance, demoralized by internal wrangling and economic crisis, could muster its forces to respond to an attack was seen as an encouraging example, as well.

Unreality of War

However, all this support depended to some degree on the apparent unreality of any serious chance of war. Britain's martial mobilization was seen as a means of compelling negotiations, not of replacing them.

There is no sense among Britain's European allies of just what actual fighting will accomplish. European newspapers are reporting the growth of intransigence in Argentina, and of a popular mood that clearly threatens the military government if it does not stand fast.

The sense of unhappy choices has not totally replaced the tendency to stress the ludicrous nature of the confrontation. "A war between invalids," the French business newspaper Les Echos called it, referring to the economic feebleness out of which both sides were constructing their warfare.

But the comments have grown steadily grimmer. "It is easy to start a war," Le Monde said earlier this week. "It is much harder to stop it. Especially when emotional and irrational factors are involved in the quarrel, which is plainly the case in the dialogue of the deaf now going on between Great Britain and Argentina."

Assembly Condemns Argentina

STRASBOURG, France (UPI) — The 21-nation Parliamentary Assembly of the Council of Europe on Thursday condemned Argentina's seizure of the Falklands as "a violation of the basic principles of international law" and demanded a prompt evacuation of the islands.

The assembly also expressed sympathy for the occupied population and denounced Argentina as "a military dictatorship where human rights are flouted and basic liberties are nonexistent."

The house rejected Spanish delegates' amendments trying to soften the pro-British tenor of the resolution. The Spanish delegates abstained in the final vote.

The Associated Press
The first internees released from Warsaw's Bialoleka Prison collecting documents Thursday.

28 Hostages Held on Plane In Honduras

Hijackers Demanding Freedom for Leftists

The Associated Press

TEGUCIGALPA, Honduras — Four hijackers lowered their ransom demands Thursday for the release of 28 hostages aboard a Honduran airliner parked at Tegucigalpa's airport after the government refused to pay $1 million and to free 52 persons the hijackers said were being held in Honduran jails.

The hijackers reduced their demand to $250,000 and the release of 32 reputed prisoners in a radio message from the plane parked at Tegucigalpa airport. There was no immediate government response.

After the government rejected the hijackers' initial request, the deputy foreign minister, Rodol Rosales Abella, said, "Honduras is a poor country confronting a tremendous economic crisis and it cannot enjoy the luxury of handing over $1 million to a terrorist group.

"Neither can we free 52 political prisoners who do not even exist in our jails since no one here is persecuted for his political ideas."

Earlier, the government said it would let the hijackers fly to another country if they freed the hostages. It said the hijackers were members of a leftist group called Revolutionary Popular Forces-Lorenzo Zelaya.

Police said the Honduran Air Service propeller-driven plane was taken over by four leftists, armed with pistols, on Wednesday morning during a flight from La Ceiba to Tegucigalpa. La Ceiba is 115 miles (185 kilometers) north of the capital.

In negotiations with the president of the Honduran Human Rights Commission and ambassadors from the Vatican and the Dominican Republic, the hijackers first demanded $500,000 and the release of 20 persons they said were political prisoners. A Honduran official said none of the 20 were serving prison terms for crimes of any kind.

The hijackers increased their demands Wednesday night in a meeting aboard the plane with the Vatican ambassador, the Rev. Andres Cordero Lanza. But there was no official confirmation that any of the additional 32 persons listed were in prison.

16 Hostages Freed

During the day, the hijackers freed 16 hostages. Eleven were women passengers, two were stewardesses, one was a child and two were men who were reported to be ill.

Among those released were seven Americans, the U.S. Embassy said. One of eight Americans remaining aboard the aircraft reportedly was NBC television correspondent Brian Ross.

Police sources said the hijackers apparently placed explosives in different parts of the plane. Earlier in the day, they had threatened to blow up the aircraft unless their demands were met, but they did not renew the threat when they increased the demands.

Shots were heard from inside the plane at one point, but there was no word that anyone was hit.

The Revolutionary Popular Forces-Lorenzo Zelaya is named for a student leader who was killed in 1976, when police opened fire on a demonstration he was leading. The group has claimed responsibility for 16 terrorist acts in the past two years, including a machine-gun attack on the U.S. Embassy three weeks ago in which no one was hurt.

Thatcher Says Argentina Has Key

(Continued from Page 1)

with the prime minister, shouting that she must "try and try and try again to reach a peaceful settlement." She accused him of inconsistently supporting the dispatch of the task force while arguing that it should not be sent into action.

"It would be highly dangerous to bluff in that way," she said.

Former Prime Minister James Callaghan, a Labor Party member, was more supportive of his successor. But he strongly urged her to rely on the aerial and maritime blockade, in the hope of wearing down the isolated Argentine garrison in the Falklands, rather than attempting "a frontal assault," which he said could be bloody.

The commander of the task force, Rear Adm. John F. Woodward, issued a similar warning in an interview with British journalists that was published in Thursday morning's national newspapers. Adm. Woodward, who earlier this week predicted an easy victory for his men, said Thursday he did not view himself as "the hawk-eyed, sharp-nosed hard military man, leading a battle fleet into the annals of history."

"I am not in any doubt," the admiral said, "that unless people say 'let's stop' it will be a long and bloody campaign, and in my mind it is absolutely fundamental for us to try to avoid it."

Reports from the fleet said Adm. Woodward intended to station ships armed with anti-aircraft missiles in a rough circle around the islands, perhaps 50 or more miles offshore. Other ships will be assigned to protect the aircraft carriers Hermes and Invincible and the supply ships. The carriers' Harrier jump-jets will be used to stage "combat air patrols" and the three nuclear-powered submarines will cruise underwater along the perimeter of the exclusion zone.

The Ministry of Defense has said it will "close" the air strip at Stanley and has threatened to destroy any planes found there.

As the fleet moved into position, British and foreign diplomats here said they had no reason to be optimistic that Argentina was moving toward acceptance of the Haig proposals. They said the absence of any guarantee of ultimate Argentine sovereignty appeared to constitute a condition that the junta would accept only at its own peril.

U.S. Panel Vows Support

WASHINGTON (AP) — The House Foreign Affairs Committee approved a resolution Thursday saying the United States should provide "full diplomatic support" to Britain if the Falkland Islands dispute is not settled peacefully.

Argentina Says It Has Not Rejected Plan

(Continued from Page 1)

island archipelago about 300 miles (480 kilometers) from the coast, was expected "in the next 24 to 48 hours."

Argentina's military governor in the Falklands, Mario Benjamin Menendez, Wednesday night warned that a British attack could come at any moment.

There are also signs of tension with Chile, which has its own territorial dispute with Argentina over islands in the Beagle Channel at the tip of South America.

A judge in the western city of San Juan near the Chilean frontier said Thursday that a Chilean citizen, Armando Borquez Krumbasch, had been arrested on charges of spying.

In Washington, a senior U.S. official Thursday predicted that Argentina would put up a fierce defense if Britain launched an assault for the Falklands. Norman Bailey, director of national security planning for the National Security Council, cautioned against underestimating Argentina.

"Argentina is not a banana republic," he said. "It has well-trained armed forces, and they are entrenched in the Falklands. It is going to be difficult, especially under current climatic conditions, for the British to land on the Falklands. If they succeed, the response will be quite fierce."

Journalists Denied Bail

BUENOS AIRES (WP) — Journalists from two of Britain's leading newspapers were denied bail Tuesday night by an Argentine judge who ruled earlier that they will be put on trial for espionage. They face prison sentences of two to eight years if convicted.

The defendants, who have denied categorically the government's allegations, are Simon Winchester of The Sunday Times and the reporter-photographer team of Ian Mather and Tony Prime of The Observer.

Warsaw Begins Freeing Detainees As Part of Martial-Law Relaxation

From Agency Dispatches

WARSAW — Authorities began freeing 1,000 interned Solidarity unionists, farmers and scholars Thursday in the largest easing of martial-law restrictions since the December crackdown.

At Warsaw's Bialoleka prison, where nearly 200 internees were held, 35 Solidarity members, some wearing red and white union badges, boarded regular city buses for their trip home after four and a half months of internment.

They were among 800 internees to be freed and 200 placed on parole by the ruling Military Council, which also announced lifting of the 11 p.m.-to-5 a.m. curfew and other concessions Wednesday night.

According to a clandestine statement circulated in Warsaw on Thursday, four fugitive leaders of Solidarity have united to lead a struggle against the martial-law system while Lech Walesa, the head of the union, is jailed.

They called for a token nationwide 15-minute work stoppage May 13 to mark five months of martial law. The four unionists met secretly April 22 and formed a temporary coordinating committee, the Solidarity statement said.

Zbigniew Bujak of Warsaw province, Wladyslaw Frasyniuk of Wroclaw, Wladyslaw Hardek of Krakow and Bogdan Lis of Gdansk will lead Solidarity until Mr. Walesa is freed, it said.

Among those released Thursday was Zbigniew Knap, a member of the Warsaw Solidarity board. He said, "I was just taking a walk when an officer called me by name. He led me to a barracks and said, 'You will be free in a couple of minutes.' "

One internee said, "We just were told that we are released, we got our belongings and goodbye."

Another said, "Now we will fight for restoration of our union, for lifting of the suspension of our union."

The authorities announced Wednesday the release of the Rural Solidarity leader, Jan Kulaj. But no mention was made of Mr. Walesa, who has been held since the crackdown Dec. 13, which followed 16 months of union challenges to the Communist Party.

In Gdansk, Mr. Walesa's wife, Danuta, said she had not expected her husband's release but hoped he might get a brief furlough to come home.

The Warsaw government said it was easing restrictions "because of the further stabilization of the situation in the country." The curfew will end Sunday, the announcement said, but provincial governors are authorized to reimpose it.

Permits will no longer be required for tourist excursions organized by factories and institutions, for courses, conferences and training meetings organized by social groups, or for gatherings and assemblies organized by approved government committees, the announcement said.

People making domestic phone calls will no longer have to place them through operators. The ban on visas for representatives of industrial firms and foreign trade and diplomatic missions will also end.

However, communiqués from the Military Council and the Interior Ministry made clear that arrests and detentions were not over.

The Interior Ministry said, "Internment can be applied throughout the duration of martial law. Decisions on internment will be made also with respect to persons who, after their release from isolation centers, do not take the opportunity to return to normal life and resume illegal activity."

There was speculation in Warsaw that the government eased the restrictions in exchange for the postponement of Pope John Paul II's August trip to Poland. The pope's 1979 visit to Poland touched off an outburst of nationalist and religious fervor that created a climate favorable to the birth of the independent labor movement and its demands for liberalization.

Archbishop Jozef Glemp, Poland's Roman Catholic primate, met with Premier Wojciech Jaruzelski, the Communist Party chief, on Sunday before the archbishop went to Rome to meet with the pope. The archbishop announced the postponement of the papal visit at the Vatican on Wednesday.

WORLD NEWS BRIEFS

Compiled From Agency Dispatches

Pravda Reports Farms Working 2 Shifts Per Day

United Press International

MOSCOW — Soviet farms are working double shifts in an attempt to make up for last year's drastic shortfall in grain production, Pravda said Thursday.

Unseasonal cold and snow last month delayed the beginning of spring work by two weeks, but Western agricultural experts say that so far the weather outlook for the 1982 crop is fair.

The grain may suffer later because a late spring means key growing periods will fall in the hottest part of the summer. If there is little rain then, much of the crop may dry up as it did last year, resulting in a total yield of around 150 million to 160 million metric tons compared with a goal of 235 million.

The Pravda report said mechanical equipment was being shifted around on state and collective farms to allow for plowing and sowing within a 24-hour period. "Not infrequently, the soil is prepared at night, and by day the sowing units are going over these fields," Pravda said.

"The grain workers of many enterprises have set themselves a task," Pravda added, "not only to fulfill the plan 'of sales [to the state] for this year, but also to fill in the shortage of production left over from the last drought summer."

3 E. Germans Flee to West

United Press International

HELMSTEDT, West Germany — Three East Germans used a bulldozer early Thursday to crash through a border fence into West Germany, police said. The escape set off automatic firing devices, but the three men were not hurt.

Berlin Protest Set for Reagan Visit

BERLIN — More than 100 Berlin peace groups announced plans Thursday for an anti-NATO demonstration to coincide with President Reagan's visit to the city on June 11.

The protesters were said not to have decided whether to hold their demonstration on the day of Mr. Reagan's visit or the night before.

Peace groups have already announced a demonstration in Bonn June 10, when the president visits the city for a NATO summit meeting.

Manila Rights Group Accuses Military

MANILA — A human rights group has accused the military here of secretly detaining a priest and a suspected Communist underground leader in suburban military stockades.

The Philippine Council for Human Rights said that Edicio de la Torre and Horacio Morales, both 38, were among 10 persons believed to have been arrested in clandestine military operations in Manila and its suburbs last week.

An armed forces spokesman declined to comment, but Deputy Defense Minister Carmelo Z. Barbero, in a telephone interview, confirmed that Mr. de la Torre had been taken into military custody.

Bush Arrives in Australia for Talks

CANBERRA, Australia — Vice President Bush arrived in Australia on Thursday to reassure "one of America's closest allies" of Washington's concern for security in the Pacific.

"President Reagan has asked me to try to convey to all I meet here the great affection and respect the American people have for Australia," Mr. Bush said on his arrival in Canberra.

His visit coincided with the 30th anniversary of the signing of the ANZUS treaty by Australia, New Zealand and the United States, pledging U.S. military support in the event that regional security is threatened. Mr. Bush, who is on a tour of Asia and the Pacific, flew to Canberra from Singapore, where he had talks with President Lee Kwan Yew.

Nyerere Criticism of Kaunda Seen

DAR ES SALAAM, Tanzania — President Julius Nyerere has voiced what appeared to be indirect criticism of the scheduled meeting Friday of Zambian President Kenneth Kaunda and South African Prime Minister Pieter W. Botha.

In a speech at a banquet in honor of visiting Mozambican President Samora Machel, Mr. Nyerere said no leader from outside South Africa can speak on behalf of black South Africans and any outsider who tried to stop the anti-apartheid struggle in South Africa would lose the respect of humanity.

Mr. Nyerere is the chairman of Africa's "front-line" group of presidents mandated by the Organization of African Unity to oversee efforts to end white minority rule in southern Africa.

Shariatmadari Accused of CIA Links

BEIRUT — The Iranian regime has accused 82-year-old Ayatollah Kazem Shariatmadari, a leading clergyman arrested for plotting against Ayatollah Ruhollah Khomeini, of having ties to the CIA.

The deputy speaker of Iran's parliament, Hojatoleslam Musavi Khoiniha, made the accusation Wednesday night on Tehran television, the Islamic Republican News Agency said.

He displayed documents pieced together by militants who took over the U.S. Embassy in November, 1979, and claimed the papers proved that Aytollah Shariatmadari had links with the CIA.

U.S. Arrests of Aliens Are Challenged

NEW YORK — About 3,500 persons have been arrested so far this week in a crackdown on illegal aliens working in the United States, but many are being set free and a federal judge has set a hearing on whether to halt the raids.

The action in nine cities by agents of the Immigration and Naturalization Service also have stirred protests from church groups and organizations representing Hispanics, Arabs, Jews and other immigrants.

In Los Angeles, lawyers for an immigrant rights group won a federal court order Wednesday barring the imminent deportation of 150 Mexicans.

Nuclear Ban Defeated in New Zealand

WELLINGTON, New Zealand — Parliament Thursday defeated by one vote a move to declare New Zealand a nuclear-free zone, which would have blocked the visit of U.S. nuclear-powered warships.

Richard Preeble, a member of the opposition Labor Party, introduced the bill two weeks after the Wellington City Council voted to declare the New Zealand capital a nuclear-free zone. Mr. Preeble's bill was defeated 36 to 35.

The Wellington council motion was aimed at preventing visits by U.S. nuclear-powered warships.

France Prepared To Expel 40,000 Illegal Immigrants

Reuters

PARIS — About 40,000 foreigners face expulsion from France after failing to qualify for legal status, the secretary of state for immigrants, François Autain, said on television Thursday.

The Socialist government, which came to power in May, 1981, said that it would give priority to ensuring the rights and social benefits of illegal foreign workers by offering them a six-month period to apply for legal status.

Mr. Autain said 100,000 people had qualified. The 40,000 who face expulsion were unable to prove reasonable employment or a source of income, the requirement for legal status, officials said.

Mr. Autain also told the pro-Socialist newspaper Le Matin that with the six-month grace period finished, the government will launch a strict campaign to deport illegal foreign workers and to stop illegal entry.

He said the new measures were also necessary to counter an increase in racism in France.

Nigerian Troops May Leave Chad

The Associated Press

LAGOS — A battalion of Nigerian troops serving with the Organization of African Unity peacekeeping force in Chad will return home by the end of this week, the Nigerian news agency has reported, quoting Ministry of Defense sources.

Nigeria maintains about 2,000 soldiers in Chad as part of an OAU force that also includes troops from Senegal and Zaire.

Last month, Nigerian Foreign Minister Ishaya Audu said his country would consider pulling out of the OAU force if there was no progress toward a political solution in Chad. The agency did not say Wednesday how many Nigerian forces would remain once the battalion is withdrawn.

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Analysts Say Failure Of Budget Talks Hurts Outlook for Recovery

By John M. Berry
Washington Post Service

WASHINGTON — The failure of budget negotiations between President Reagan and congressional leaders leaves the nation facing a string of huge budget deficits and continuing high interest rates, with little chance for a sustained economic recovery soon.

Congress still could find ways to reduce the deficits. But in the absence of major spending cuts and tax increases, interest rates are likely to stay so high that the housing and auto industries almost certainly will remain deeply depressed, according to a number of economists. In addition, the high rates probably will lead businesses to keep cutting back their capital investment, without which there is no healthy, long-term economic growth.

NEWS ANALYSIS

Murray L. Weidenbaum, Mr. Reagan's chief economist, recently said that even the $56 billion worth of spending cuts and revenue-raising measures proposed in the president's February budget are not regarded as large enough to relieve pressures in financial markets and bring interest rates down. There will be "a slower, less robust recovery" if there is no budget accord, he said.

Limited Expansion Expected

In a similar vein, H. Erich Heinemann, an economist at Morgan Stanley & Co., a New York investment banking firm, said last week that in the absence of a significant change in the budget outlook, "we expect that any drops in interest rates will be short-lived, which should serve effectively to limit the scope of economic expansion this year and next."

One of the few points on which the administration and congressional negotiators agreed was that without tax increases or further spending cuts, the 1983 deficit would be about $180 billion — and that figure assumed the economy would begin growing at about a 4-percent annual rate at midyear.

If the Treasury has to borrow to finance a deficit of that magnitude in 1983 and even larger amounts in 1984 and 1985, while the Federal Reserve continues to limit the growth of the money supply to hold down inflation, interest rates are unlikely to fall.

Economists fear that any incipient recovery could then be choked off by a jump in interest rates, which would rise as federal borrowing collided with the increased need for credit in the private sector.

The administration had hoped that a recovery would be touched off by the 10-percent cut in individual income taxes scheduled for July, plus the $12 billion in cost-of-living increases in Social Security benefits set to take effect the same month.

Generally speaking, economists are much more worried about the huge deficits looming for 1984 and 1985 than the deficit expected in 1983, because next year, even with a recovery, the economy would still be depressed and business demand for credit would be relatively low.

At some point, the Federal Reserve probably would be forced to raise its money-supply growth targets to stem the damage from repeated bouts of recession. To do so, the Fed would directly buy more of the Treasury securities issued to finance the deficit. This could lead to renewed inflation.

If there is no action to trim the deficits, Irwin L. Kellner, chief economist at Manufacturers Hanover Trust Co., expects the major banks' prime lending rate, now 16½ percent, to hit 22 percent by late summer. If, as is more likely, Congress acts to cut spending or raise taxes, rates would stay about where they are. A "meaningful compromise" could lead to steadily declining rates over the next year, he believes.

Allen Sinai of Data Resources Inc. said the failure of President Reagan and congressional leaders to compromise could push interest rates up by about 1 percentage point. The uncertainty over the budget probably has already clipped a full percentage point off next year's economic growth because it led to higher corporate bond rates, he said.

But Mr. Sinai noted that there could be an "escape valve." If inflation continues to fall, a given money-supply growth rate will sustain a higher level of real economic activity before rising interest rates begin to squeeze out private borrowers, he said.

"With a 2-percent or 3-percent inflation rate, we would have no clash between fiscal and monetary policy," Mr. Sinai said. But he added that the rate probably will still be in the 6-percent range at year's end.

"A failure to compromise on the budget makes the whole recovery much more fragile, much more vulnerable," he said. "Fooling around on it for another six months will hurt, but it will really hurt when those deficits actually occur."

United Press International

Walter Polovchak

Soviet Boy's Father Puts Blame on Politics

By Nathaniel Sheppard Jr.
New York Times Service

CHICAGO — Michael Polovchak says that if he had been a French or German citizen returning home from the United States with his children, he would not have had to fight Illinois and U.S. authorities to regain custody of his son Walter.

But he is a Soviet citizen, a bus driver who became "a victim of the relations between these powers," he said. "Being a citizen of the Soviet Union is my handicap."

Mr. Polovchak returned to the United States earlier this month to continue his efforts to regain custody of Walter, now 14, who was granted asylum after he decided he did not want want to return to the Ukraine with his parents.

Mr. Polovchak said he and his wife came to the United States in January, 1980, after one of his sisters living here convinced him the United States offered a life of comfort. He said he decided to return to the Ukraine, where he had held a respectable job, owned a house and had a car, when he found life in the United States did not meet his expectations.

His son Walter, then 12, and his 17-year-old daughter, Natalie, had found life in the United States appealing, and they ran away to live with a cousin to avoid having to return to the Ukraine.

The parents agreed to let their daughter make her own decision because she was almost 18, but they wanted to take Walter back with them, along with a 6-year-old son who did not become part of the dispute. But through a series of legal manuevers, state and federal authorities prevented the Polovchaks from taking Walter home with them.

Mr. Polovchak described a meeting he had on April 16 with Walter and Natalie as "strange."

"They are so brainwashed," he said. "They could say only that they were happy here and couldn't be happy back home. My daughter told me I was not a free man, that I had been escorted by a Soviet security man. She said that if it was not so I should come with them to eat pizza. We went to a pizza parlor, ate pizza and soda and talked for a while. I then said, 'Now do you believe that I am free,' and she said, 'Yes.'"

He said Walter repeatedly told him he was afraid to return home for fear he would be persecuted or put on trial and put in a concentration camp.

"I asked him if he thought I, as his father, would come over here to take him back to something like that," Mr. Polovchak said.

"I told them that children need their parents and that parents need their children, that he would be accepted warmly if he returned."

He said that alienation from Walter and Natalie began after the cousin living in Chicago, also named Walter, began taking the children for rides in his automobile, to restaurants and to a Ukrainian Baptist Church. Mr. Polovchak said his family had long embraced the Ukrainian Catholic Church.

The custody issue is before Illinois state courts. Even if the Polovchaks are given custody of Walter, the U.S. government has moved to block his return to the Soviet Union by issuing a departure control order preventing him from leaving the United States. Such an order would have to be challenged through another lawsuit.

CIA Details Secrets Sold By U.S. Spy

Report Says Russians May Have Radar Plans

By Robert C. Toth
Los Angeles Times Service

WASHINGTON — A CIA report to Congress has confirmed that more than 20 "highly classified reports on advanced future U.S. weapon systems," including "the quiet radar system for the B-1 and Stealth bombers," were sold to the Communist bloc by William Holden Bell, a former Hughes Aircraft Co. engineer.

The information jeopardizes existing and experimental weapons of the United States and its allies, the CIA said in the report. It will help Poland and the Soviet Union save "hundreds of millions of dollars in research and development efforts" on comparable weapons for themselves as well as defensive measures to counteract the U.S. systems, it said.

Mr. Bell was sentenced last December to eight years in jail and fined $10,000 after pleading guilty to espionage in a court in Los Angeles. He had been paid $110,000 over three years for the information.

Mr. Bell's main contact was a Polish intelligence agent, Marion Zacharski, who was sentenced to life imprisonment for espionage. Mr. Zacharski had posed initially as a Polish businessman in dealing with Mr. Bell, who had financial troubles.

Official Confirmation

The CIA report is a declassified version of testimony last month by the deputy CIA director, Adm. Bobby Ray Inman, to a subcommittee of the House Science and Technology Committee. It appears to be the first official confirmation of the kind of information Mr. Bell sold.

Mr. Bell told the CBS-TV program "60 Minutes" about the Stealth and B-1 radar documents, as well as other weapons systems, in a detailed interview six weeks ago. The Pentagon refused to comment on his disclosures at that time.

The classified reports that Mr. Bell filmed and delivered to the Poles, "and probably eventually to the Soviet intelligence service," the CIA report said, also dealt with a "look-down, shoot-down" radar system for the Air Force F-15 fighter, an all-weather radar system for tanks, an experimental radar system for the Navy, and the Phoenix air-to-air missile designed for the Navy's F-14 fighter.

He also furnished information on a shipborne surveillance radar, the Patriot anti-aircraft missile, a sonar system designed to be pulled behind surface ships to detect submarines, a new air-to-air missile, the improved Hawk surface-to-air missile and a NATO air defense system, the report said.

Some of the secrets may have fallen into Soviet hands after Shah Mohammed Reza Pahlavi left Iran in January, 1979. U.S. F-14 fighters and improved Hawk missiles had been sold to Iran before then, for example.

The nature of the quiet radar for the B-1 and Stealth bombers was not immediately clear. A Pentagon spokesman said it was "assumed the radar emits pulses at low power or pulses that are not easily detected" by hostile antennae.

Mr. Bell's information was recounted in two paragraphs of the 15-page CIA report, which was titled "Soviet Acquisition of Western Technology." It was published in response to congressional requests for a declassified version of Adm. Inman's testimony, a CIA spokesman said.

The report stated that since at least the 1930s, the Soviet Union has spent vast amounts of money and manpower to get Western technology to enhance its military power and improve its military manufacturing technology.

"Today this Soviet effort is massive, well planned and well managed, a national level program approved at the highest party and governmental levels," it said.

The Russians have succeeded in the effort by using a combination of legal and illegal means, the report said, in large part by using East European intelligence agencies as surrogates.

U.S. Claims Soviet Arms Sales Spread 'Panic'

By David Wood
Los Angeles Times Service

WASHINGTON — The Reagan administration has accused the Soviet Union of instigating a worldwide race to sell arms to the Third World.

In a report issued Wednesday by the Arms Control and Disarmament Agency, the agency's director, Eugene V. Rostow, said the Soviet policy has led to "the disintegration of world public order and the spread of fear and panic."

The report said that by the end of 1979, the Soviet Union had become the world's largest exporter of arms.

Agency officials conceded, however, that the United States has responded to the Soviet sales with sharp increases in its own weapons sales and the providing of training and military services abroad.

Robert T. Grey, deputy director-designate of the arms control agency, contended that Soviet arms sales to the Third World "jeopardize regional stability," while arms sales by the United States "foster stability." He did not explain the remark, made in a statement accompanying the report.

The report said that the United States, faced with huge Soviet arms sales, has had no choice but to respond in kind.

From 1975 through 1979, the period covered by the agency report, the Soviet Union exported an estimated $33.5 billion worth of weapons, while the United States sold $29.4 billion worth. The report showed a trend of accelerating Soviet arms exports, reaching $10.4 billion in 1979, compared with $5.6 billion for the United States.

More recent figures are not available for Soviet arms exports; administration officials have said they expect U.S. arms sales could reach $25 billion in fiscal 1983.

According to several private studies using government statistics, the United States already has surpassed the Soviet Union in arms sales. That conclusion was reached in a report done earlier this year for the Council on Foreign Relations and in a study released last week by the Center for Defense Information.

Much of the dispute over who leads in world arms sales involves the definition of arms. The U.S. report's statistics do not include nuclear weapons, training, military construction or "dual-use" goods — those that can be used for either military or civilian purposes.

Arms control agency analysts believe the exclusion of such costs provides more meaningful comparison with the Soviet Union, which normally offers little training, spare parts or construction to its arms clients.

Nevertheless, the administration has cited a sharp increase in Soviet arms sales as justification for its decision to make arms sales a major part of its national security policy. That policy runs counter to a Carter administration directive to use arms sales judiciously as an "exceptional foreign policy implement."

Administration officials have said that such arms sales can solidify friendship with a foreign country, as in the case of sales to Saudi Arabia, and can also counter foreign intervention, as is the aim in El Salvador.

In addition, the production of weapons for export lowers the cost of purchasing the same types of weapons for U.S. military forces.

Officials stressed Wednesday that the administration policy of increasing arms sales came about as a reaction to the increase in Soviet sales.

"The United States remains committed to restrain arms transfers and is ready to seriously discuss specific proposals" for arms control, Mr. Grey said in the statement.

Mr. Grey said the Soviet Union has created "a military-industrial complex with a surplus capacity," which has enabled Moscow to use its arms-sale policy to implement "an ambitious policy of Third World expansionism."

In the face of that effort, Mr. Grey said, "We must assist our allies and friends in meeting legitimate self-defense requirements which are, in many cases, increased by this growth in Soviet arms transfers."

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'Fascist' Rally Attempt Is Reported in Moscow

By Serge Schmemann
New York Times Service

MOSCOW — In a land where unsanctioned demonstrations are all but unknown and "fascism" ranks among the vilest terms, a group of young Russians tried last week to hold a rally marking Hitler's birthday.

According to witnesses, the self-styled fascists, numbering somewhere from a dozen to more than 100, gathered in the evening of April 20 on Pushkin Square in central Moscow, which is a popular gathering place for youths. Some wore black shirts, others had high-shaven sideburns said to be a mark of the group, and a few reportedly wore swastikas on their caps.

The plans seem to have been known well in advance among other youths throughout Moscow, and scores of young rowdies, many from loosely united groups known as "bolelshchiki" — fans of major Soviet sports federations — congregated in the square with the intention, according to witnesses, of pummeling the fascists.

Accounts differ on what followed, but most witnesses said no demonstration ever began. Some fights reportedly broke out, but the fascists evidently were intimidated by the large number of toughs gathered in the square and failed to mount a real rally. Although the confrontation attracted a large crowd, including moviegoers from the nearby Rossiya Theater, the police seem to have been slow in breaking up the gathering.

Several Arrests

But they finally did, arresting a number of youths, both fascists and bolelshchiki, according to witnesses.

Reports of the incident spread rapidly across Moscow, and initially were treated with widespread incredulity. Memories of the war against Nazi Germany and its 20 million Soviet victims remain sharply etched in the Soviet conscience, and Muscovites who heard reports of the attempted rally generally expressed shock that anyone would openly profess fascism.

There was no suggestion that the "fascists" were anything more than a fringe movement, or that their existence pointed to anything resembling a national or even local trend among local youths. On the contrary, the unusual unity among the rival sports fans, who more frequently battle one another after soccer or bockey games, against the fascists pointed to their unpopularity among Moscow youth.

But as reports of the incident spread through the capital, Muscovites and foreigners were struck by the fact that such a movement could exist at all in the Soviet Union, when most dissident organizations usually find themselves quickly under police scrutiny and attack.

Common Knowledge

Also surprising was the fact that the planned rally had been common knowledge among Moscow youth. In fact, teachers at some schools reportedly warned students against being on Pushkin Square that evening, probably increasing the chances that the students would head for the square.

According to people with knowledge of the fascists, such groups have existed for several years in a few cities of the Russian Republic and the Soviet Baltic states. Many adherents are said to be offspring of well-placed functionaries in the Communist Party and in the Soviet state, and their tenets seem to combine ill-defined yearnings for a strong leader and iron discipline in industry and agriculture with elements of racism, anti-Semitism and anti-Communism.

These informants said the demonstration seemed to derive less from actual sympathy for Hitler and Nazi Germany than from a general sense of frustration with the absence of iron leadership in the Soviet Union, with the loss of incentive to work and with the general sense of stagnation.

Earlier Demonstrations

There have been some reports that the fascists have held minor demonstrations in such Russian cities as Kurgan or Sverdlövsk, but these reports could not be confirmed.

The sports fans who confronted the fascists on Pushkin Square, on the contrary, have received considerable publicity, largely in the form of attacks on their spreading practice of daubing the initials of their favored clubs on walls and fences throughout Soviet cities.

The initials of the most popular teams — Spartak, the Red Army Club and Dynamo — have proliferated in recent years throughout Moscow, along with reports of rowdy and sometimes violent behavior among their followers. In Sunday's issue of the newspaper Leninskoye Znamya, a war veteran bitterly complained about the spreading of the graffiti and demanded stiff fines and even prosecution for those responsible.

Although the behavior of the Soviet sports fans has never approached the violence familiar in some Western cities, it has led to greatly increased police contingents at major hockey and soccer matches.

Reagan, Leading Democrats Fail to Reach Budget Accord

(Continued from Page 1)

Committees, to get his cues from them.

Despite this sniping, both sides agreed that what Rep. Bolling called "fundamental policy differences" led to the stalemate. They also agreed that a congressional battle seems unavoidable. The White House announcement late Wednesday afternoon that Mr. Reagan would make a television speech Thursday night to defend his budget seemed to indicate his readiness for such a fight.

"I don't rule out the possibility of further talks," Sen. Baker said after the Capitol meeting. But, he added, "there's no realistic prospect of a bipartisan agreement."

"The president offered to split the difference on the issues remaining in dispute and that was not agreed to," Sen. Baker said.

He said "splitting the difference" meant that Mr. Reagan would meet the Democrats halfway on domestic spending, agree to increases in taxes and other revenue of $123 billion over the next three fiscal years and accept $28 billion in military spending cuts in the same period.

But the Democrats, according to a worksheet used in the meeting, proposed revenue increases of $145 billion over three years, and they wanted military spending cuts of $33 billion.

The worksheet breakdown on the spending proposals also illustrated the ideological lines in Wednesday's budget talks. The Republicans proposed $25 billion in spending cuts for entitlement programs over three years, as opposed to the $8 billion to $9 billion favored by the Democrats.

By limiting cost-of-living increases in Social Security and other benefit programs, the Republicans proposed to save $26 billion in three years, while the Democrats would have taken $16 billion from beneficiaries of those programs.

On noumilitary discretionary spending, which covers a range of social programs, the White House wanted to cut $33 billion rather than the $23 billion favored the Democrats.

The chance of resolving these differences on the split-the-difference formula apparently disappeared when Rep. O'Neill rejected the idea of trading a three-month delay in the tax cut for a three-month delay in cost-of-living increases for Social Security.

Deficit Target

Both sides agreed on a deficit target of $105 billion to $110 billion in fiscal 1983. But the Democrats insisted that the deeper spending cuts proposed by Mr. Reagan showed that he means to preserve his plan to cut income taxes by 25 percent over three years by reducing services for poor and middle-income families.

"The president and his people honestly believe their program is fair, and we know it isn't fair," said Rep. Bolling. "It's absolutely clear that we can't deal with this situation in a rational way unless we include major changes in the third year of the tax cut."

Rep. O'Neill, characterizing Mr. Reagan as a "sincere man" who does not understand the social costs of his economic philosophy, also suggested that Congress would now begin altering the president's budget. "The truth of the matter is the negotiations are over, and we will now go back to the legislative process," the Democratic leader said.

The White House and Republican congressional leaders struck back by suggesting that Rep. O'Neill had resisted a reasonable compromise. "Today, the president held out the hand of compromise," said James A. Baker 3d, the White House chief of staff, who was the main White House negotiator in the talks that led up to the meeting. "We had hoped for give and take up there, and what we found mostly from the other side was mostly take and very little give. The president, I think it's fair to say, has gone more than halfway."

Nations Worried By Cuts in Funds For Asian Bank

Reuters

MANILA — The developing countries of Asia and the Pacific, as well as some of their more affluent partners in the Asian Development Bank, voiced concern Thursday about increasing difficulties in obtaining international aid funds.

Sri Lankan Finance Minister Ronnie de Mel told the ADB's 15th annual meeting that Third World countries were being forced to turn to commercial sources for funds, with consequent increases in borrowing costs.

Canadian representative Douglas Lindores joined Third World representatives in criticizing the U.S. refusal to maintain its 22-percent share in the latest replenishment of the Asian Development Fund, ADB's facility for low-cost loans. The United States has pledged $520 million, compared with the $903 million requested by the bank.

Finance Minister Michio Watanabe of Japan, whose extra contribution of $130 million helped the ADB meet its target of $3.2 billion for the fund earlier this week, pledged that his country "intends to retain its position as the largest shareholder."

West Germany's Konrad Porzner, state secretary at the Economic Cooperation Ministry, said his country was maintaining its share in the fund in spite of Bonn's large budget deficit last year.

Reporting Award Goes to Ottaway of Washington Post

The Associated Press

NEW YORK — David Ottaway of The Washington Post has been named the winner of the Overseas Press Club's Hal Boyle Award for best daily newspaper reporting from abroad for his coverage of the assassination of President Anwar Sadat.

The press club's 1981 awards were presented Wednesday by Osborn Elliott, dean of the Columbia University School of Journalism. ABC won three of the top prizes and Kent Kobersteen of the Minneapolis Tribune won two, for his series, "Global Poverty: The Darkening Future."

The Bob Considine award for best daily newspaper or wire service interpretation of foreign affairs was awarded to David K. Willis of the Christian Science Monitor for two articles, "On the Trail of the A-Bomb Makers" and "Soviet Memorandums."

Rudy Frey of Time magazine won the Robert Capa medal for best photographic reporting from abroad requiring exceptional courage and enterprise, for work entitled "Poland."

The Cornelius Ryan award for the best book on foreign affairs went to Pierre Salinger for "America Held Hostage: The Secret Negotiations." Betty De Ramus of the Detroit Free Press won the award for best editorial work involving disclosure of abuses of human rights abroad, with her series, "Hungry People."

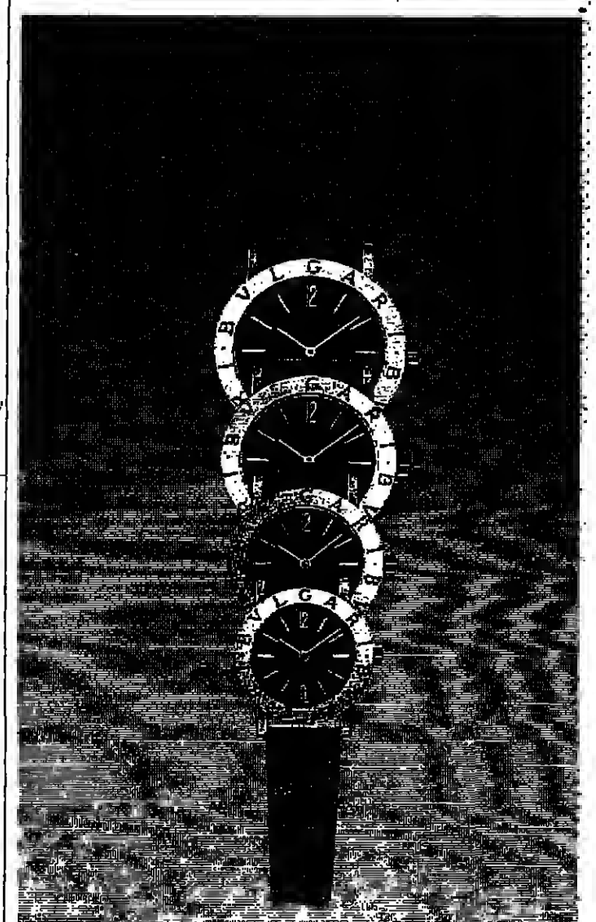
Iran's Bonn Envoy Claims Police Bias

United Press International

BONN — The Iranian ambassador to Bonn, Mehdi Navab, accused West German police Thursday of showing bias against supporters of Iran's revolutionary leader, Ayatollah Ruhollah Khomeini, in handling violent clashes between Iranian students Saturday at Mainz University.

Mr. Navab said at a news conference that Khomeini supporters arrested by police soon found themselves "in great difficulty," whereas anti-Khomeini activists in West Germany were frequently freed soon after arrest. The clashes at the university left eight police and 28 Iranians injured.

Mr. Navab said he had visited some of the Khomeini supporters under arrest in Mainz and they had claimed police had beaten them up following the clashes. Police, meanwhile, said that a group of about 150 Khomeini supporters had traveled from throughout West Germany to the campus to attack a group of anti-Khomeini students.



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A Year After Battle on Baby Food, WHO Is Urged to Draft Drug Code

By Iain Guest
International Herald Tribune

GENEVA — The controversy reverberated on both sides of the Atlantic for weeks. It dominated U.S. congressional hearings, prompted the resignation of two senior officials from the U.S. Agency for International Development, and culminated at last year's assembly of the World Health Organization in an international code banning the aggressive promotion of baby foods.

Now, WHO officials face growing pressure from coosumer groups and radical Third World governments to draft a similar code on pharmaceutical drugs. Such a code, the officials acknowledge, would alienate some of the world's most powerful companies and anger the Reagan administration — which cast the only vote against the baby-foods code last year and contributes one-fourth of the agency's budget.

Whether or not this happens could depend on how Halfdhan Mahler, the WHO director-general, presents the issue to the 1982 assembly, which begins in Geneva next week. Most WHO officials expect he will present an optimistic picture; they point to the fruits of a two-year dialogue between the pharmaceutical industry and WHO.

This dialogue has, at first sight, yielded some impressive results:

- Acceptance by the industry of the principle that imported drugs can eat into the health budgets of poor countries without addressing their main health problems, which stem largely from inadequate water supplies and malnutrition.

Three years ago, WHO drafted a list of 240 "essential drugs." Large pharmaceutical companies, concerned at first that this would restrict their sales, now have accepted the idea, and 70 countries have drawn up lists based on the WHO model.

- An offer by the Zurich-based International Federation of Pharmaceutical Manufacturers Associations to provide drugs to the least-developed countries on favorable terms. Company sources say that 43 pharmaceutical firms have offered to contribute drugs.

- A voluntary code on marketing practices, drawn up by the industry under the auspices of the pharmaceutical federation. The code states that no manufacturer shall make claims that cannot be supported scientifically, and it says that all products sold must "have full regard to the oeeds of public health."

- Involvement by the companies in the establishment of national drug policies for a group of African countries including the landlocked nations of Burundi, Lesotho and Rwanda, whose drug bills are disproportionately high because of air-freight costs. In Burundi, joint missions involving WHO and the pharmaceutical firms Ciba-Geigy, Hoffmann-La Roche, Sandoz, and SmithKline Corp. have tentatively identified a list of up to 15 "essential drugs." About half of these could be produced locally.

Despite this progress, both sides admit that the dialogue is now almost at a standstill. Particularly difficult has been the problem of defining the industry offer to provide drugs "on favorable terms."

Meanwhile, waiting in the wings at the upcoming WHO assembly will be a consumer coalition known as Health Action International. The coalition was formed in Geneva immediately after the baby-foods debate last year, and some of its 50 member organizations have been monitoring the baby-foods code.

The group has criticized the pharmaceutical federation code for lacking enforcement provisions, and recently sent details of 20 alleged violations to the federation's headquarters in Zurich.

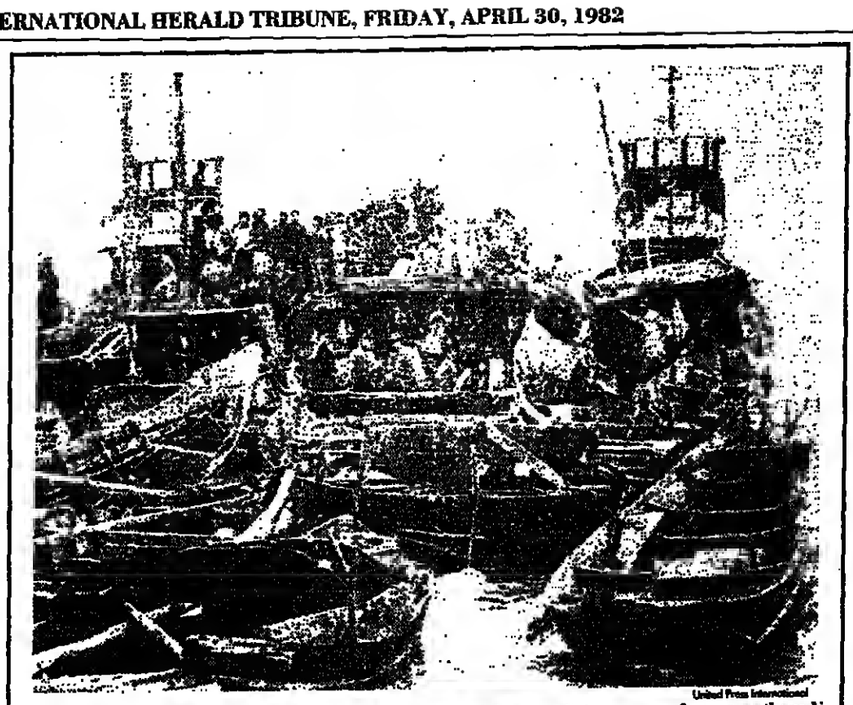
"Certainly, we would like to see a WHO code," said Charles Medawar, a member of the London-based consumer group Social Audit. "Any organizatioo of its standing simply has to define what it sees as unacceptable practice by the companies."

He refused to rule out the possibility of a consumer boycott, similar to the boycott of Nestlé products by the baby-foods campaigners.

WHO officials also are braced for criticism from radical governments such as Mozambique and Ethiopia, which already control Western drug imports; from Pakistan, which has a large number of rural poor but would not benefit from the industry offer because it is not classified as a least-developed country; and from Eastern-bloc countries, which see openings for their less sophisticated pharmaceutical products in the Third World.

Even within WHO, opinion appears divided. Some officials feel that the agency's official goal — "Health for all by the year 2000" — is only attainable through drastic political change on the Socialist model.

At present, such notions are far from being official WHO policy, and senior officials are seriously concerned that open confrontation with the pharmaceutical companies could further reduce their incentive to develop new drugs for use in the least-developed countries.



United Press International

BOAT PEOPLE — Surrounded by their damaged boats, Vietnamese refugees gathered Thursday on a larger fishing junk in Hong Kong while waiting for immigration processing.

Tunisian Plays Down Alleged Libyan Threat

Washington Post Service

WASHINGTON — Col. Moamer Qadhafi, the Libyan leader, has moved away from efforts to subvert Tunisia's government and is cooperating in lowering tensions in the region of northwestern Africa known as the Maghreb, according to Premier Mohammed Mzali of Tunisia.

"He has told us he wants better relations, and we have taken him at his word," Mr. Mzali said Wednesday in Washington. "We hope that this continues, even if we know that in politics you can never be absolutely sure of anything."

Mr. Mzali is on an official visit to the United States that includes meetings with President Reagan and other senior officials.

In seeking to win congressional approval this month for a major increase in foreign military sales credits for fighter aircraft and tanks for Morocco and Tunisia, the Reagan administration has stressed the security threats to the region posed by Libya. Peter D. Constable, a deputy assistant secretary of state, told the House subcommittee oo Africa last week that Tunisia is "under direct threat from Libya and inadequately equipped militarily."

Mr. Mzali did not directly dispute this assessment, but he portrayed the $140 million re-equipment program for Tunisia that the Reagan administration seeks to finance in different terms.

He said, "We have devoted in the past years all of our spending to development, to education, to health, to agriculture, and neglected the military. It is like moving into a new house and then waiting 10 years to get any furniture, or even a door. We need a door. We need to be able to protect our coasts, where now we can't even prevent foreigners from fishing our waters."

Opponents of the sharp increases in military sales to Morocco and Tunisia assert that the United States is shifting the emphasis of its aid to the region away from economic assistance and toward selling military hardware to governments that face internal problems because of badly sagging economies, rather than direct external threats.

Mr. Mzali, 56, has been a leading figure in President Habib Bourguiba's Destour Party and in successive governments for more than two decades. He is considered in Tunis to be a leading candidate to inherit power from the president, who is 78.

One of the focal points of discootent in Tunisia in recent years has been spiraling unemployment rates. Mr. Mzali acknowledged that at best the new five-year economic development plan, which calls for the creation of 60,000 new jobs a year, would fall 10,000 short.

There are an estimated 60,000 Tunisians working in Libya, and Col. Qadhafi appears to be attempting to woo Mr. Bourguiba's government with economic concessions after evident Libyan involvement in a paramilitary uprising in Gafsa in January, 1980, soured relations between Tripoli and Tunis. The Libyan leader has visited Tunis twice this year and has signed an accord covering economic, industrial, cultural and information matters.

The Reagan administration is seeking $100 million in foreign military sales credits for Morocco, a twofold to threefold increase over average amounts provided in the past five years. The Tunisian request, which Mr. Mzali indicated that Tunisia was still trying to get on softer terms, represents a $55-million increase over last year. The U.S. programs for both Morocco and Tunisia programs include the sale of M-60 tanks and F-5 fighters.

Mauroy Repeats French Promise Of Support for Quebec 'Identity'

By Henry Giniger
New York Times Service

QUEBEC — French Prime Minister Pierre Mauroy has returned to Paris, leaving Quebec with a promise that France will never abandon it and will remain at its side "whatever the ways it may choose to affirm its identity."

On Tuesday, Mr. Mauroy ended a six-day visit to Canada during which he performed a difficult balancing act between opposing governments — that of Prime Minister Pierre Elliott Trudeau in Ottawa, intent on keeping Quebec part of Canada, and that of Premier René Lévesque of Quebec, equally intent on achieving independence.

While refusing to be drawn into the quarrel, Mr. Mauroy managed to please both sides by insisting oo his desire for "normal" and "friendly" relations with the federal government and for the continuation of "privileged" relations with Freneb-speaking Quebec, a "branch" of a common family tree.

Mr. Mauroy asserted that compatability between the two relations was very possible and he left behind probably more good feelings between France and Canada than at any time in the last 15 years of often strained ties.

In Ottawa, where he began his visit on Thursday, Mr. Mauroy stressed France's desire to develop trade, economic and technical cooperation with Canada as a whole. But no firm decisions on large-scale projects were announced by either side.

Trade between the two countries is very small and at a news conference Friday, Mr. Trudeau attributed this partly to the French obsession with Quebec's status. It is an obsession that goes back to 1967, when President Charles de Gaulle went to Montreal and shouted "Long live a free Quebec!" from the balcony of City Hall.

But on Friday, Mr. Trudeao appeared satisfied that France was no longer damaging Canadian unity, saying in effect that the Gaullist ghost had been laid to rest.

Mr. Trudeau made an effort to bring France onto Ottawa's side by pointing out to Mr. Mauroy that Quebec voters, in a referendum two years ago, had chosen to remain in Canada rather than become independent. But, Mr. Mauroy said, "France will not mix in Canada's internal affairs."

Mr. Trudeau appeared content with the apparent shift of policy by France's Socialist government away from exclusive preoccupation with Quebec and toward an interest in developing stronger economic ties with other regions.

It was in Quebec, however, that Mr. Mauroy had his warmest words. When he greeted the Quebecers, he said that they had refused to yield to "assimilation by North American Anglo-Saxon society." Monday night, at an official dinner, and Tuesday, before Quebec's National Assembly, the prime minister pledged French support for whatever path Quebec chose in the future, reiterating a policy laid down in 1977 by former President Valéry Giscard d'Estaing during Mr. Lévesque's first visit to Paris.

The policy did not please Ottawa because it appeared to encourage Quebec independence. But no great fuss was raised at the time and none is expected now.

W.R. Burnett, 82, Hollywood Writer, Dies

From Agency Dispatches

LOS ANGELES — W.R. Burnett, 82, who wrote the screenplays for "Little Caesar," "The Asphalt Jungle" and "High Sierra," died Sunday.

His works had an influence in establishing several movie stars, including Edward G. Robinson in "Little Caesar," Paul Mumi in "Scarface" and Alan Ladd in "This Gun for Hire."

His other screen credits include "Action in the North Atlantic," "Crash Dive," "Vendetta," "The Racket," "Arrowhead," "Short Cut To Hell," "September Storm."

Tom Tully

From Agency Dispatches

NEWPORT BEACH, Calif. — Tom Tully, 85, who played tough-looking but warm-hearted characters in more than 3,000 radio, television, movie and stage productions, died Tuesday.

Mr. Tully received an Oscar nomination for his 1954 portrayal of Capt. Devries in "The Caine Mutiny." Other films included "I'll Be Seeing You," "Destination Tokyo," "The Moon Is Blue," "10 North Frederick" and "Coogan's Bluff."

OBITUARIES

Prince Karl August

REGENSBURG, West Germany (UPI) — Prince Karl August von Thurn und Taxis, 83, head of the house of Thurn and Taxis, died Monday at his castle, his family announced Tuesday. His son, Prince Johannes Baptista, 55, became head of the family on his death.

Daisy Gordon Lawrence

NEW YORK (NYT) — Daisy Gordon Lawrence, 81, the first American Girl Scout, died Monday in Seattle.

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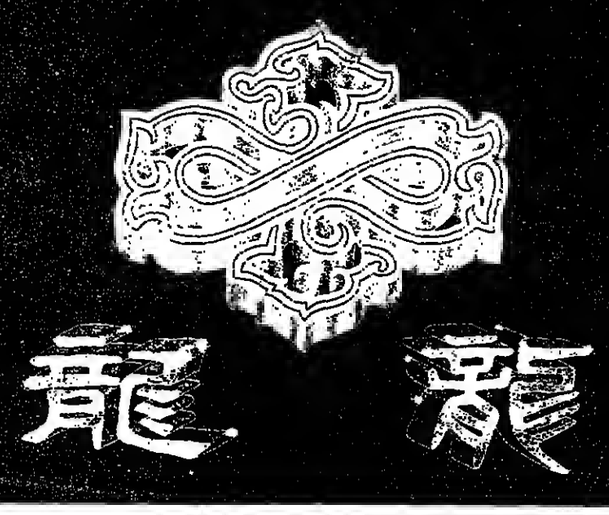

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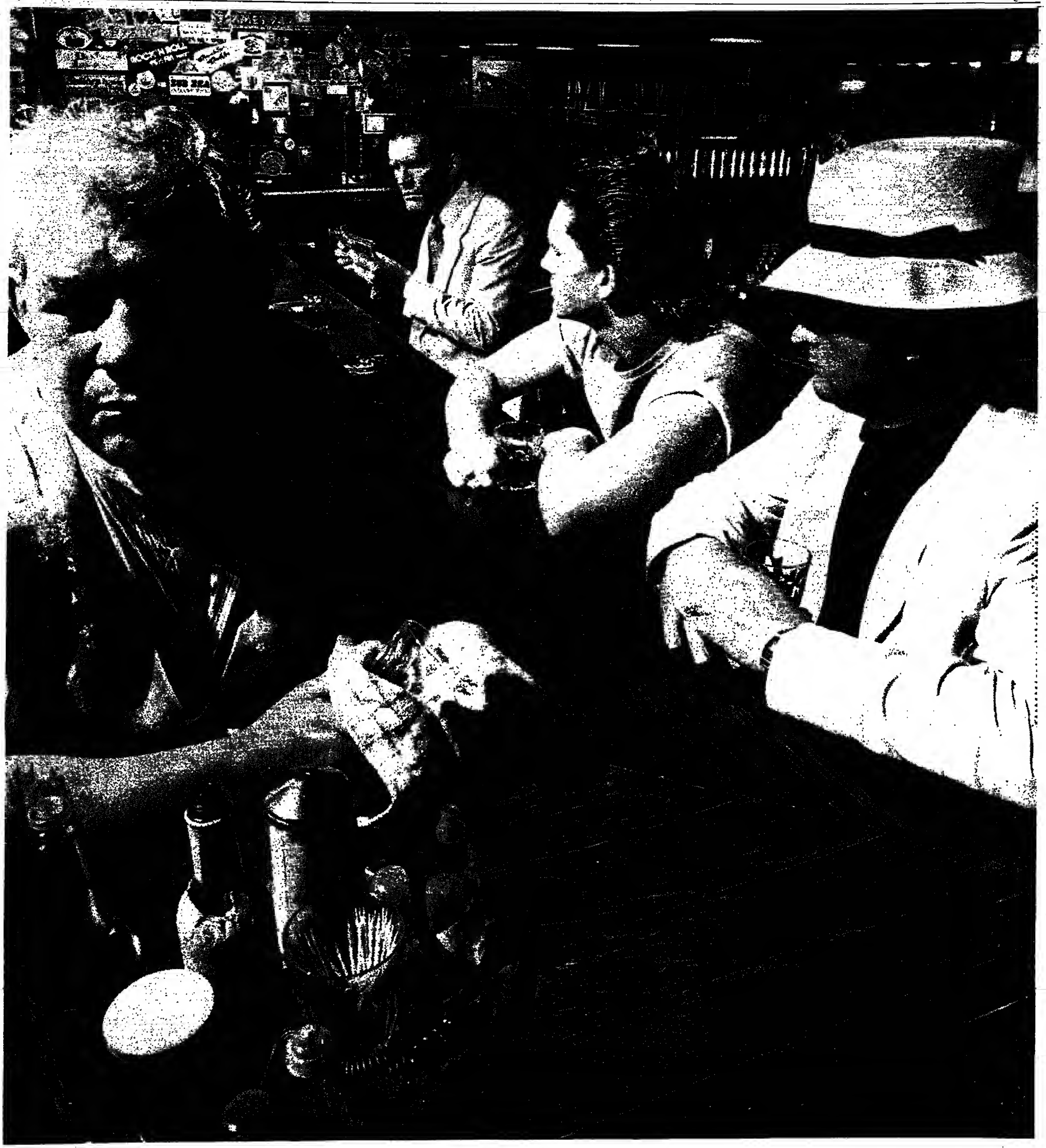

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INTERNATIONAL
Herald Tribune
Published with The New York Times and The Washington Post

Page 6 Friday, April 30, 1982

The U.S.'s Tilsit Budget

President Reagan's journey to the Capitol for the budget negotiations was an arresting piece of political theater. The scene brought to mind the similar negotiation at Tilsit in 1807, when Napoleon sat down to divide Europe with the king of Prussia and the czar of Russia. They chose a neutral spot for the talks — a raft in the middle of the Niemen River, which separated their armies.

The two cases are not exactly parallel, of course. The role of czar has never quite suited House Speaker O'Neill. It is true that the treaties of Tilsit did not endure for long. But they held up for a few seasons — and that's more than you can say of the talks Wednesday at the Capitol. The result there was a flat collapse, after six weeks of intense work that deserved a better ending. The negotiators seem to have decided only that an open disagreement was better than the faked and fudged quasi-agreement, with loose numbers and vague promises, that seemed to be emerging last weekend. In that, they are right.

There are a lot of people, both Republicans and Democrats, who have a strong interest in representing this affair as only another conventional partisan collision. In fact, it began with a challenge to the president from within his own party. Last summer, senior Republicans in the Senate began to warn the White House that its projected defense spending was too high and its deficits too large. That row simmered through the fall, with the Democrats taking little part.

When the president brought out his budget in February, congressional Republicans were stunned by the size of the deficits. They began working, with a good deal of support within the administration, to convince Mr. Reagan that the deficits were too large. They persuaded the leaders of the House Democrats to join the talks. The Democrats agreed because they were hearing from home about interest rates, and the only way to lower interest rates is to lower the deficits.

But all these maneuvers and discussions kept striking one intractable reality. Mr. Reagan sees no great need to change his budget. He thinks it's fine. He doesn't believe it asks too much for defense. He thinks the deficits are all right. And because he thinks those things, no deal has been possible.

Without any further change in policy, the deficit for the fiscal year 1983, starting in October, is likely to be about $180 billion — by far the largest, by any measure, since World War II. Congress will doubtless make some changes. But in the absence of the kind of explicit, comprehensive agreement that the late negotiations were seeking, any tax increases and spending decreases will be minor compared to that vast deficit.

At Tilsit, Napoleon, the king and the czar at least managed to get off the raft safely. At the Capitol, the barge sank, and by late afternoon the statesmen could be seen swimming rapidly for shore — all of them in different directions.

THE WASHINGTON POST.

The 'Right' Language

Suppose a Hispanic child, speaking only Spanish, enters elementary school in the United States. Should he be taught to read in Spanish while he separately learns English? Or should he be taught only in English? One side of the debate argues that, if instruction is only in English, the Spanish-speaking child will fall behind while he learns it. The other holds that if he is taught in Spanish he will lag in his command of English.

The Reagan administration is moving, slowly, in the right direction on the highly inflammatory subject of bilingual education. The secretary of education, Terrel Bell, said last week that the federal government is dropping the misguided rules it has been trying to impose since 1975. The Education Department is no longer trying to tell local school districts they have to provide instruction in the child's first language.

The administration is quite right. The United States has now had quite a lot of experience with bilingual education, and, in most cases, such education falls in the large category of high-minded ideas that do not work well. Generally speaking, if these children are going to live and work in U.S. society, they will be better served by being taught from the beginning in English.

The federal rules of the 1970s were formed under heavy pressure from Hispanic political and cultural organizations protesting that Spanish-speaking children had been neglected in the schools. In 1980, the Carter administration responded by proposing regulations greatly strengthening the bilingual requirement. That drew fierce opposition from school systems with very diverse populations of foreign-born children. It is not unusual to find classrooms in which a dozen languages are represented, including those of Vietnamese hill tribes. To teach these children in their own languages is hardly possible.

If a child comes into a U.S. school knowing little English, he has a right to special help. That has been affirmed by the Supreme Court, and no one disputes it. The argument is over the form it ought to take. Some school systems prefer bilingual instruction, and they will stick with it. Others employ, instead, intensive instruction in English. The federal government has a responsibility to see that children get the attention to which they are entitled. But it has no business doing what the past two administrations tried to do — tell local school systems which method they must follow and how they must follow it.

THE WASHINGTON POST.

Argentina Crying 'Spy'

Argentines don't like their country to be portrayed as brutal and lawless, a place where justice is arbitrary and prisons are horrible. But those are pretty good descriptions of what the Argentine junta has done to three accredited British journalists: slammed them into tiny cells, denied them bail and charged them with espionage.

Understandably, given the frenzy over the Falklands, Argentina is jumpy about the apparent snoopiness of these reporters from London — Simon Winchester of The Sunday Times, and Ian Mather and Tony Prime of The Observer. They were initially arrested April 13 for behaving suspiciously — they were taking notes and asking questions — at a military base in Tierra del Fuego.

What passes understanding is why Argentina is now so determined to throw the book at the three. If for doing their job these Britons are given long sentences, Argentina adds to its reputation for savagery, and weakens its own argument that 1,800 Falklanders would be well-treated under Argentine law. There is a wiser way for Argentina to show its displeasure with Fleet Street: three one-way tickets to London.

THE NEW YORK TIMES.

Other Opinion

On U.S. Information Policy

The International Institute for Applied Systems Analysis was launched during the Nixon administration. It has become the site of joint efforts by 17 nations from East and West, studying major issues like transportation, water resources, agriculture and communications. The United States has provided about a quarter of the operating budget .... The Soviet Union provides a similar amount.

... However, the $2.3-million contribution expected this year was eliminated from the ... budget and President Reagan has written ... that he planned no further official participation in the institute. Part of the administration's opposition has been justified on the grounds that it involved the risk of Soviet acquisition of information with security implications. The National Academy of Science has conducted a preliminary review rebutting this view.

... Tenser relations with the Soviet Union should not become the occasion for closing doors to other East European nations, especially in generally nonpolitical organizations such as the institute. Quite the contrary: There is every reason to encourage such contacts.

— From The Boston Globe.

A Signal to Other Arab Countries

The return of Sinai to Egypt implements one of the chief provisions of the Camp David agreements and as such represents the culmination of a long peacemaking process. ... In view of all the uncertainties, no one except the Egyptians can be entirely happy with it. ... But the return of this territory ought to be a signal to other Arab countries that much more can be achieved by negotiation than by aggression. If the situation remains stable in Sinai, it is possible that Israel itself might be encouraged to adopt a more flexible attitude toward its neighbors.

— From the Neue Zürcher Zeitung (Zurich).

April 30: From Our Pages of 75 and 50 Years Ago

1907: Berlin Builders' Strike

BERLIN — The strike in the Berlin building trade, which has been going on for some time, will soon enter a new stage. According to information received from a prominent official of the Berlin Master Builders' Association, 120,000 bricklayers and masons will be locked out by the employers. The strike, which is one of the greatest that has ever taken place in Germany, will affect more than 200,000 men of affiliated trades. The men demand a six-hour day. The masters assert that it is impossible to comply with the demand of the workmen, who are stated to earn far more than the ordinary bourgeois classes and to be able to afford luxuries unknown to the latter.

1932: Recording Breakthrough?

VIENNA — The Austrian broadcasting firm Ravag has developed an apparatus that is predestined to replace the phonograph. Instead of the normal record, a six-millimeter-wide paper ribbon is employed to reproduce music or spoken words. The new apparatus is operated by electricity. A concert or talk is recorded on the paper ribbon in a similar way as on telegraph ribbons. The tone reproduction is excellent and entirely free of the noise that a phonograph needle makes when it is in contact with the record plate. One great advantage of the paper record is its length. A normal ribbon 300 meters long can reproduce music or talks that last three times as long as those on a phonograph record.

Departing UN Rights Official: 'We Have to Speak Out'

By Jonathan Power

LONDON — On April 30, Theodoor van Boven leaves his office in Geneva and joins the unemployed. He was the director of the United Nation's Human Rights Division and the victim of one of the first executive decisions of the new UN secretary-general, Javiar Pérez de Cuellar.

Mr. Pérez de Cuellar, a Peruvian, came into office Jan. 1. On Feb. 7, Mr. van Boven, a former Dutch Foreign Ministry official long resented by many Latin American governments for his probing into the seamy side of their affairs, was told that his five-year term would not be renewed.

Resentment against Mr. van Boven's activities had been mounting for at least three years. But it was a speech he made Feb. 1 at the opening of the 1982 session of the Human Rights Commission that brought matters to the boil. New York, which, unusually, had requested to see the speech, objected to mentions of specific countries.

Mr. van Boven's theme dealt with the commission's campaign against mass murders. On his list were Cambodia, Uganda, Equatorial Guinea, Iran, Chile, Guatemala and El Salvador. He was told that, as a member of the UN staff, it was his duty to be impartial. Mr. van Boven considered this view dangerous nonsense, and gave the speech as he'd written it.

"The UN and its officers can't be impartial about human rights," Mr. van Boven said recently in Oxford. "The UN has proclaimed certain values, so how can we be neutral? We have to be objective, but once we have checked the facts, we have to speak out."

When Mr. van Boven took over the division, the Human Rights Commission saw the world through the narrow lens of the Soviet and militant Third World viewfinder. It dealt with the "classical three" — South Africa, Chile and Israel. Now the commission regularly criticizes 15 countries, including Poland, Afghanistan and a spread of Asian, Latin American and African nations.

Mr. van Boven has focused less on countries per se and more on "phenomena." He believes this has reduced the element of confrontation. In the 1970s, the commission investigated slavery; in 1980, "disappearances" and the plight of indigenous peoples; and this year, mass killings.

Did the advent to power of Jimmy Carter give the commission a push? "Future generations will pass a better judgement on him than today's," Mr. van Boven, who was in England to speak at the annual conference of the United Nations Association, said of the former U.S. president. "He gave human rights a special momentum, particularly in those countries in the direct sphere of influence of the United States, the Latin American countries.

"One can clearly see that, since Reagan came to office, there has been more East-West confrontation on the commission and a hardening of attitudes by the Latin Americans. Immediately after Reagan was elected, there was a wave of arrests and renewed oppression in Haiti. Guatemala, already bad, got worse. So did Chile."

But to Mr. van Boven's surprise, the commission continued to progress in its last session. "Once a movement has begun, it's difficult to stop. Because of the U.S.'s more negative position, the West European countries are pushing harder." It is an interesting turnaround. Mr. Carter had to prod the Europeans when he began his human rights effort.

Mr. van Boven feels the Soviets are more at ease with the Reagan posture on human rights. Yet they have never been so much on the defensive. The commission's work on Poland and Afghanistan has left them less time to create obstacles in other areas.

An Austrian, Kurt Herndl, will take over Mr. van Boven's job. He comes from a government active in human rights. The likelihood is that the commission will continue to break new frontiers. The last session should have been a lame duck. But, as The Economist magazine noted, "Some said it was the best session ever."

It broke new ground with a report on human rights in Iran. It authorized a UN investigation of Poland and deplored Guatemala's failure to cooperate with a similar investigation. There are now enough Third World and West European countries that rate human rights highly enough to drive such resolutions through. The commission may still lack bite — no one has to take any notice of its edicts — but it is becoming a public standard-bearer for the half-forgotten words and pledges in the UN Charter. This is progress.

The writer is editorial adviser to the Independent Commission on Disarmament and Security Issues.

Canadian Power Tilting Westward

By Les Whittington

OTTAWA — Canada is going through a phenomenon that the United States experienced a generation ago, as its economic and political authority gradually shifts toward the affluent Far West.

The tilt in the locus of power is causing predictable problems, not the least of them arising from attempts by Prime Minister Pierre Trudeau's central government in Ottawa to assert its sway over the wealthiest Western provinces, Alberta and British Columbia.

But just as California has steadily grown into the most populous and influential U.S. state, so Canada's Western areas are almost certain to dominate the rest of this country in the foreseeable future.

The trend over the past decade has accelerated lately as a consequence of the recession, which has severely hit Canada's eastern industrial regions, such as Ontario, the location of the federal capital.

By contrast, Alberta continues to thrive from its oil and natural gas reserves, even though the boom of recent years has tapered off somewhat. British Columbia prospers from timber, coal and, especially, trade with Asia.

While the national economy is likely to remain at a standstill this year, Alberta expects its economy to expand in 1982 by 5.5 percent after inflation. British Columbia, whose timber industry is suffering from the decline in U.S. housing construction, nevertheless anticipates a 2.2-percent growth rate.

Energy resources have already made Albertans the richest Canadians. They pay no sales tax, and they benefit from the $10-billion Alberta Heritage Fund, amassed from petroleum revenues.

The province's annual per-capita product, the sum of the value of its good and services, is $12,200; industrial Ontario's is $9,500.

Alberta's position as the Saudi Arabia of Canada has given its premier, Peter Lougheed, a strong voice in the decentralized federal structure, under which the provinces control their natural wealth.

Attracted by the lure of prosperity, increasing numbers of Canadians are moving westward. Census figures to be published later this year will show that not only Alberta and British Columbia but two other Western provinces, Saskatchewan and Manitoba, have gained in population.

This means the West will have more seats in the federal legislature, a development that will further erode the political influence exercised by Ontario and Quebec, the traditional power centers.

Unsurprisingly, the population drift has created local tensions. Westerners denounce Eastern migrants as "creeps and bums" who drive up the crime rate, while the Easterners refer to Westerners as insensitive "rednecks."

More important, however, has been the strain put on the fabric of the Canadian confederation as a result of Trudeau's efforts to resist the regional pull toward the West.

In a move to curb the rising influence of Alberta and other Western provinces, Trudeau sought to set the price of Canadian oil and determine the central government's share of oil revenues, estimated to total $212 billion between 1981 and 1986.

This attempt, which triggered a bitter dispute, ended last fall after protracted negotiations. But the Westerners, led by Lougheed, still harbor grudges against Trudeau, whom they accuse of fixing Canada's tariffs to favor the East.

This friction has spawned separatist sentiment, which was not taken seriously until this winter, when a rightist former rodeo rider won an Alberta by-election espousing independence for the province.

His victory prompted the conclusion among political analysts that Western alienations in Canada may be considerably more profound than they had previously calculated.

Should the push toward separatism gather momentum, Alberta would be a prime candidate to break away. Though oil and natural gas have been its mainstays, it is now diversifying into other industries, such as petrochemicals. With its economy in good health, Alberta also has a flourishing construction industry, so its unemployment rate is less than half the national rate of 8 percent.

A more plausible alternative to a breakaway, though, might be the emergence of a Westerner as prime minister to supplant the easterners who have mostly held the job until now.

Written for International Writers Service.

'They must be scared to death by now.'

Polling: Witchcraft as a Science

By Daniel S. Greenberg

WASHINGTON — The new sorcerers of U.S. politics, the opinion surveyors, claim skill at divining what Americans think, and now, in an introspective study of their craft, they have charted ways to become even better. But a look at that study and its many confessions of weakness invites wonder as to how an enterprise as intellectually threadbare as polling has managed to become the modern navigation system for public affairs.

The study, "Surveys of Subjective Phenomena," was carried out by a committee of academic and government survey specialists under the auspices of the high temple of U.S. science, the National Academy of Sciences.

Defining "subjective phenomena" as matters "directly observable" only by the person being questioned — such as ratings of presidential performance or assessments of personal happiness — the committee noted that surveys of such matters are important because "they can affect public discourse and public decision making." The committee added, "Surveys have become an ubiquitous component of social life in America," and reported estimates of 20 million survey interviews a year in the United States.

Properly performed and interpreted — the committee concedes they often are not — how reliable are these surveys? The answer, provided for public consumption in a plain-language summary of two scholarly volumes soon to be published, provides ample grounds for dismay.

The committee reports that, while surveys have "notable (and not well-understood) effects on the public ... there exist numerous causes for concern both about common practices and also about the foundation of basic knowledge on which contemporary practices rest."

In regard to the first concern, the committee said that surveys so easily lend themselves to political manipulation through loaded questions and selective release of findings that the misuse problem might be the subject of a separate inquiry. But even assuming high ethical standards, it is evident from the committee's observations that the best intentioned, executed and interpreted surveys may be more in the realm of witchcraft than science.

Noting that the "conceptual foundations for much ongoing survey activity are not firm," the committee reports that "the process by which respondents interpret survey questions and formulate answers to them is not yet well understood."

What is known is that seemingly trivial changes in wording can produce big shifts in responses, as can the sequence to which questions are asked. For example, in one classic experiment, 54 percent answered "yes" when asked, "Do you think the United States should forbid public speeches against democracy?" When "forbid" was changed to "not allow," 75 percent answered "no."

The committee reported that the interviewer's techniques and manners can have an effect on the outcome of the interview. Once the results are in, "a great deal in the way of 'psychologizing' seems to be involved in the interpretation of survey data, but the psychological theory involved is almost wholly implicit and incoherent."

These and similar findings are the work of a friendly committee that considers polling a worthy endeavor and wants to improve its reliability.

For census taking, and planning for public health, housing and schooling, surveys are, of course, indispensable. It is their insinuation into politics — under the false colors of scientific technique — that warrants serious concern. Even this friendly committee observes: "Because poll and survey results can be manipulated and because of the resources needed to conduct them, one must question the claim that these methods necessarily lead to the democratization of political and social decision making."

The writer is editor and publisher of an independent newsletter, Science & Government Report.

—Letters—

Albion Response

Regarding Eric Ertman's letter (IHT, April 22): His glib assertion that Albion has often dragged her feet before the fray is one thing, but to accuse her of doing so, as he puts it "in the last great unpleasantness," is quite another. I would ask him who was the first country to declar war on Hitler to 1939, and who for a year defied the German dictator alone in 1940-41? Albion wasn't exactly doing the Can Can but it certainly wasn't the soft shoe shuffle. I shudder to imagine the state of Danish culture today without Albion's footwork in the grim days of 1939-45.

NICHOLAS FITTON.
Issy-les-Moulineaux, France.

Soviet Influence

I thoroughly approve Mr. William Safire's analysis (IHT Mar. 6): The big American press has finally started to perceive that Soviet influence is being established in Iran; and that in fact, the Sovietization of Iran is already well advanced. I would however like to stress three points:

1. Apart from their efforts to Sovietize Iran, under cover of a false Islamic fuodamentalism and through their agents disguised as ayatollahs, the Russians are at present trying to make a breakthrough towards Baluchistan. They are very active on both sides of the border. This will eventually lead them to the warm waters of the Indian Ocean, and will also allow them to destabilize Pakistan.

2. By rapidly reinforcing and building up the Revolutionary Guards, the Tehran regime tries to counterbalance the little power left in the armed forces. The Revolutionary Guards have just acquired their first armored division. Their arms come from Eastern Europe, also their advisers and administrators. Soon they will become the principal force within Iran.

3. The salvation of Iran can only come from within. There are numerous networks, mainly nationalists, fighting from within Iran against this regime. The Western media ignore them. If these patriotic groups received even a tenth of the interest and help that the West accorded to Khomeini not long ago, they would be capable of taking the upper hand to the situation.

H. NAHAVANDI.
Paris

Economic Sanctions

One of the causes of the First World War was that the Austrian-Hungarian Monarchy wanted to weaken and punish Serbia for her propaganda to promote the secession-movements of the South-Slavic nationalities in the southern parts of Austria and of Hungary. The monarchy employed prohibitive measures against the import of Serbian goods, a policy that was conducive to the war, most wars have economic causes. The hostile policy of the U.S. government against the Soviet Union and Poland goes farther than did the monarchy against Serbia. The U.S.A. tries to force its allies — and even neutrals — to employ inimical commercial, financial, technical and cultural measures against these two countries; such a harsh policy would in the past have already led to a war; it would lead to it now if there were no deterrence of the nuclear, chemical and biological arms.

ROBERT MAJOR.
Vienna.

Class Bias, Reduced Opportunities in U.S. Education Cuts

By Stephen Klaidman

WASHINGTON — In the United States, unlike Western Europe, much of the cost of a university education is paid for directly out of the pockets of parents. With the annual cost at more than $12,000 a year at many good private universities, more and more of the middle class is being priced out of the market.

That may not be so terrible for all students, as there are four public universities in the United States for every private institution, and they are substantially cheaper.

But it could be very bad for the private universities. At the turn of the century, the ratio was exactly the opposite of what it is now. For every public university there were four private schools. The change has been taking place at a rate of about 1 percent a year.

This is of great concern to administrators and educators in the private system. They fear that Reaganomics and the anti-aid-to-education bias of the Reagan administration will produce further reductions in the number of private colleges.

The problem in the United States is much different from that faced by Western European countries. Higher education in much of Europe is still primarily for an elite. In Britain, for example, only 12.5 percent of all 18-year-olds go to a university. Those Europeans who do go, though, are heavily subsidized. They generally pay no tuition, and they get some combination of grants, loans, subsidized food and lodging, and tax breaks.

In the United States, more than 50 percent of high school graduates attend universities. A few get grants, but for the most part their parents pay or the students take loans, which are subsidized; eligibility is based on income. For practical purposes, families with incomes above $30,000 a year do not qualify.

European governments may be forced during hard times to cut direct aid to universities, which would result in reductions in faculty or sometimes in fewer places for students. But most students would still be able to attend, and at relatively little cost.

In the United States, the ability to get a subsidized loan can be the difference between attending or not attending a university for hundreds of thousands of young people. That is in good measure why the U.S. education establishment is so vehemently opposed to President Reagan's efforts to save money by raising the cost of some student loans and eliminating others.

They do not agree with budget director David Stockman, who said: "If people want to go to college bad enough, then there is opportunity and responsibility on their part to finance their way through the best way they can."

And they do not agree with Treasury Secretary Donald Regan, who worked his way though Harvard and thinks today's students should do the same. The educators point out that there are 10 million unemployed Americans and precious few part-time jobs that pay $12,000 a year.

The philosophy of the Reagan administration seems clear enough: The primary cost of post-compulsory education should be borne by the student or his parents, not by the government. That suggests a trend in which the rich go to a diminishing number of private universities, middle-class students go to public universities and the poor don't go at all.

There are obvious class implications to that approach, which conflicts with the basic focus of U.S. educational policy for generations. It also takes no account of the advantages to society of giving the brightest students, irrespective of family income, the best educational opportunities.

There is no question that the extremely high real cost of money in the United States has made it much more expensive to subsidize student loans. But who has calculated the real cost of further cuts in the number of private universities and the loss of several hundred thousand graduates annually?

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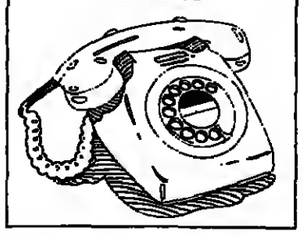

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Cheval Blanc: An Extraordinary Wine Tasting

By Terry Robards
New York Times Service

NEW ORLEANS — One of the more extraordinary tastings ever conducted in North America took place here over the weekend when the wines of Château Cheval Blanc, in 36 vintages dating back to 1911, were evaluated by a group of expert palates from all over the United States. One basic conclusion was that Cheval Blanc, a richly flavored Bordeaux that lacks the fame of Lafite, Latour and some other châteaus, deserves to be on the same exalted level.

The event was unusual because no similar collection of Cheval Blanc is believed to exist anywhere else — not even at the château, a white stucco mansion that stands amid the vines of Saint-Emilion, an important district in the Bordeaux region of France. The tasting was believed to be the first at which so many vintages of Cheval Blanc were sampled.

The 1947 and the 1929, said by some connoisseurs to be two of the finest red wines made in this century, were exquisite, fully justifying their reputations. The '21 showed traces of its former style and the '49, '53 and '59 were clearly on a par with the best Bordeaux in those vintages, in the opinion of this participant. The general level of quality of all 36 vintages was extremely high.

That Château Cheval Blanc should merit such accolades will come as no surprise to modern-day connoisseurs of the red wines of Bordeaux, for they have always ranked Cheval Blanc among the foremost wines. But it has never been accorded the same recognition as other Bordeaux estates with reputations that extend beyond the world of the connoisseur into that of the knowledgeable consumer.

The reasons have to do with geography, tradition and the structure of Bordeaux society. The 86-acre vineyard of Cheval Blanc is 20 miles inland from the east bank of the Gironde estuary, where the city of Bordeaux lies, and the so-called east bank wines have never had quite the same cachet as those from the more western districts, Médoc, Graves and Sauternes, which are more accessible to the city.

The wines of Saint-Emilion and the neighboring inland district of Pomerol could not be as readily marketed as those from the Bordeaux districts closer to the seaport, so they did not develop followings abroad until long after the others. Their situation also meant that their producers were not as readily accepted in the upper levels of Bordeaux society, and this too hampered their wines abroad.

In 1855, when the wines of the Gironde were classified on the basis of quality at an exposition in Paris, the wines of Cheval Blanc and the other estates of Saint-Emilion and Pomerol were excluded. Not until this century did they begin to win recognition among connoisseurs. The four châteaus designated premier grand cru, or first great growth, in 1855 were Lafite, Margaux, Latour and Haut-Brion; Château Mouton Rothschild got the same ranking in 1973.

The vineyards of Saint-Emilion did not receive their own official classification until 1955, when Cheval Blanc and Château Ausone were designated as the two leading producers of the district.

Cheval Blanc was the last of the top-rated red-wine vineyards of Bordeaux to be established. In 1832 a parcel of 37 acres was split off from the neighboring Château Figeac, and 37 more acres from Figeac were added in 1837. The assemblage was completed in 1854 with 12 acres more.

Family Ownership

The property has always been owned by the Fourcaud-Laussac family, and a descendant, Jacques Hébrard, is the current proprietor. No other major Bordeaux estate has been under continuous ownership for so long.

It was the Cheval Blanc 1921, according to most accounts, that placed the estate firmly in the front ranks, and the '29 confirmed its quality. The '47, considered by many connoisseurs to be the best Bordeaux of that vintage, is ranked with the Château Margaux 1900 and a handful of others among the best reds of the century.

Lloyd C. Flatt, an aerospace consultant based in New Orleans, and Dr. Marvin C. Overton 3d, a neurosurgeon from Fort Worth, Tex., were the prime movers behind the Cheval Blanc tasting. Both are avid collectors, with personal cellars in the 20,000-to-30,000-bottle range. They and nine other highly experienced tasters gathered in the Marie Antoinette Hotel on Sunday at 11 a.m., the time of day considered ideal for tasting wine because the palate and the mind are fresh.

The tasting began with the 1943 vintage, poured into some of the 10 dozen Tiffany glasses purchased by Flatt for the occasion, and proceeded through the 1945, '47, '48, '49, '50, '52 and '53. These were expected to be at the optimum maturity for drinking, and that is the way they turned out.

Controversial Judgment

During lunch, a show of hands was taken, and the '47 received more first-place votes than any other. Because of more numerous second and third-place votes, the '49 was judged the group's favorite, although this method of scoring aroused controversy. The '47 was clearly the most musual wine of this grouping, displaying great generosity of fruit.

Later came the 1933, '34 and '37, followed by the 1911, '19, '21, '23, '24, '26, '28 and '29, and then the 1955, '57, '58, '59, '60, '61, '62, '64 and '66. The final flight consisted of the 1967, '68, '69, '70, '71, '76, '78 and '79. The 1975, considered excellent, was omitted by oversight.

Showing especially well besides the wines in the first flight were the 1911, '21, '26, '28, '29, '34, '59, '61, '64 and '66. Starting with 1970, the wines were generally too young and astringent to assess accurately after nearly seven hours of tasting. Palate fatigue had set in.

Muti's Musicale Magic

By William Weaver
International Herald Tribune

FLORENCE — Traditionally, the Maggio Musicale Festival here opens with a grand, gala new opera production, which, then, often remains the major event of the whole program. In recent years, the conductor of that inaugural opera has been Riccardo Muti, and his versions of works as varied as Gluck's "Orfeo" and Verdi's "Otello" have attracted international attention and acclaim. But the 43d Maggio, which opened Tuesday, was ushered in by a concert. Fortunately, Muti was again at the helm.

The opening was to have been Stravinsky's "The Rake's Progress," but because of some dissension between the conductor and the Teatro Comunale's management (now in a state of awkward transition, after the resignation of Massimo Bogianckino as general manager), Muti declined to conduct the work — which will be given later in the spring — and suggested a concert in its place.

Surely, it is no penance to hear Muti in Florence as an orchestral conductor, the role which has won him fame and the prestigious direction of the Philadelphia and the Philharmonia orchestras. Muti's program and his interpretation of it were as thrilling and memorable as anything he has done here in the operatic field.

To show off the capacities of both the Comunale chorus and orchestra (which have made immense progress in recent years under Muti's tutelage), the conductor decided to perform three taxing choral works: The Cherubini C-minor Requiem, The Stravinsky "Symphony of Psalms," and the Verdi Te Deum, all representing an important moment in the creative lives of their authors and all of major significance in the history of European music.

For the Cherubini (which he has also recorded recently), Muti drew from the orchestra and chorus a hushed, private sound, rising, when necessary, to majestic volume — the Requiem, after all, was written for a king — but never to sheer, uncontrolled noise. While allowing the composition all its solemnity, he still indicated — without insistence — its hint of romanticism.

Stravinsky a Contrast

The stark but affecting Stravinsky made a splended contrast, with its percussive use not only of the instruments but also of the voices. Here, too, the irrepressible lyrical moments were not slighted (the exposed woodwinds, it must be said, were efficient, bot could have been more suave).

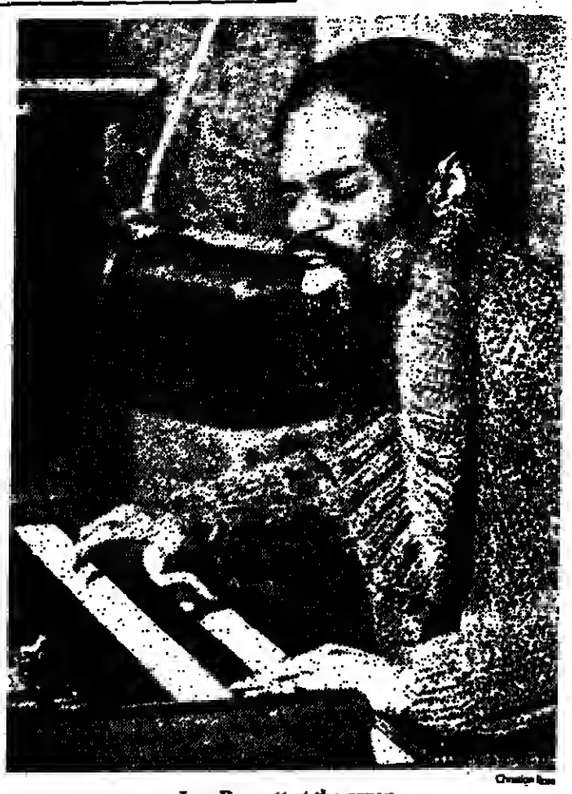
Impressive as these two interpretations were, the Verdi Te Deum was the overwhelming bit of the evening. This work, written only a few years before the long-lived composer's death, in all its complexity, its prayerfulness, demonstrated the conductor's total affinity with the piece and the performers' total agreement with Muti's views. With praiseworthy abnegation, the acclaimed young soprano Cecilia Gasdia (unlisted in the program) sang the brief solo simply and movingly from the ranks of the chorus. The audience — some of whom may have recognized her — were on their feet at the last note, in a grateful ovation: for Muti, for Verdi, for everyone.

This inauguration of the Maggio was, perhaps, unorthodox, but it was a great occasion.

Vatican Art Going to U.S.

The Associated Press

VATICAN CITY — A Vatican collection of 200 masterpieces, including works by Raphael, Bernini, Leonardo da Vinci and Matisse, will be shown in the United States next year, starting at the Metropolitan Museum of Art in New York Feb. 26, then going to Chicago and San Francisco.



Lou Bennett at the organ.

Jazz the Organic Way

By Michael Zwerin
International Herald Tribune

PARIS — The Hammond electric organ was invented in the 1930s and first came to the attention of the public through Ethel Smith's renditions of such numbers as "Tico Tico." It was called the "skating rink sound."

For the first time, it was possible to reproduce string sections, flutes and marching bands electronically. Hammond organs filled football stadiums and gigantic theaters such as the Radio City Music Hall with an enormous variety of electrically produced sound textures. They also began to be heard in churches too poor, small or modern to have pipe organs.

Wild Bill Davis hooked a standard B3 model to a Leslie amplifier in the 1940s and the Hammond began to swing. The Leslie gave certain stops a hard edge that resembled a big band, and its solo lines were fine and clear. The first time Lou Bennett heard Davis in Atlantic City in 1949 he knew his days as a mediocre pianist were over.

Bennett had worked in Ruffo's shoe repair shop in Baltimore since he was a kid. He played piano on weekends, but competition was rough and he had enough sense to realize how risky it was to bet your life on being a mediocre pianist. The organ field was thin, however, and there was increasing demand for that contemporary sound. Ruffo loaned him the money to buy his first Hammond, and he became a full-time musician.

The Hammond's two keyboards and foot-pedal console provide an eight-octave range. Coordinating solo lines, keyboard accompaniment and pedal bass is extremely difficult. Most organists are former pianists, but Bennett figured having played tuba in the army gave him an edge because it had helped develop a good instinct for bass lines. He worked hard on the pedals at the beginning.

There was at least one organ bar in every East Coast city during the 1950s. They were called "hot houses." The new breed of jazz organists such as Jimmy Smith, Johnny "Hammond" Smith, Bill Davis and Bennett played heavily blue-noted, intensely percussive riffs that sold a lot of liquor, and you could get big band power with only three men. It was sweaty music.

French impresario Daniel Filipacchi — now publisher of Paris Match and Pariscope — brought Bennett to Paris in the early 1960s. He sensed a potential commercial talent to rival Jimmy Smith, who had had a couple of successful rhythm-and-blues albums in the United States. Although Bennett's album "Amen" was a best seller in Europe for awhile, he chose another path.

"Me and Jimmy Gourley and Kenny Clarke were the house band in the Club Blue Note off the Champs-Elysées for eight years," he said. "I made three commercial records, but later when I listened to them I was ashamed. I had something else in mind. I was under the tutoring wing of Kenny Clarke [the father of bebop drumming] and when the fork came I chose to stay in the Blue Note and play jazz."

He began to build up his own circuit, working in Spain every summer. He learned Spanish and rented a small farm near Barcelona. He and his German drummer "made a pact. I spoke in English and he answered me in German. Soon I could make my way in Germany without a translator."

Meanwhile the Hammond got lighter and smaller thanks to microtechnology and this changed his life. He and his wife could spend the entire summer on the Spanish farm, from which he carries his state-of-the-art hardware on planes and trains to work anywhere in Europe, instead of having to drive that old piece of heavy furniture on tedious roads.

Synthesizers

"I got fired from my first job in 1949 because I made too much noise," he said: "But last year I lost a job because I did not make enough noise. Times have changed. You have to keep up. I mean, you want to avoid gimmicks, but if a synthesized string section is used well, it's valid. It was time for the jazz organ to evolutionize."

He decided to drop one of the two Hammond keyboards in favor of a synthesizer, to hook a synthesized bass guitar sound to the pedals, and to build the system himself. This involved connecting more than 300 cables. When he picked up the kit from the manufacturer in Germany, "I asked the guy why he didn't have a distributor in France; why I have to travel 600 kilometers every time I need a spare part.

"He said they didn't have one in Spain, Italy or France because the market wasn't there. When you build one of these things you are not supposed to think for yourself, just read the instructions. He said: 'Latins are as intelligent as we are but they can't follow orders.'"

Bennett, who is 56, laughed at this European foible. He is well integrated into European life, sometimes inadvertently injecting a French or Spanish word. This is rare for American jazz musicians, some of whom live in Europe for as long as 15 years without developing an understanding of local customs or politics or learning the language.

"I've weighed whether living in Europe has been good for my career," he said. "I think I might have made more money had I stayed in the States. On the other hand, I would have spent more. Over there, people keep buying things on credit and they can't afford to lay back for a few months or get sick. Here I can slow down when I want to."

Lou Bennett: Hotel Méridien, Paris, through May 8.

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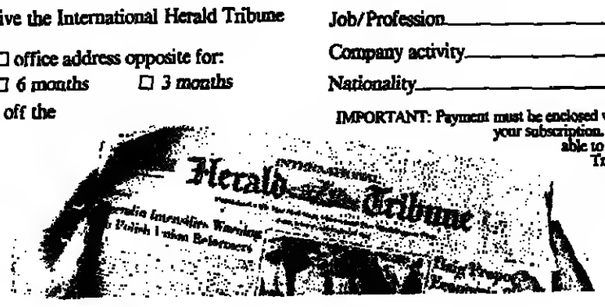

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Banking and Finance in ITALY

INTERNATIONAL Herald Tribune
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APRIL, 1982

Limitations Sought On Borrowing Abroad

Special to the IHT

ROME — Italy has begun to take steps to limit the size and rate of growth of its enormous foreign borrowing.

With $33 billion owed in medium- and long-term loans and $13 billion outstanding in short-term loans, Italy is far and away the most indebted of any industrialized country. Moreover, it ranks well ahead of any socialist economy, including Poland ($26 billion) in terms of foreign debts, and, if the developing countries are considered, it ranks third in the world, trailing only Brazil and Mexico.

But whereas Eastern European and some developing countries are now being shut out of the credit markets, Italy still has access to them. Its borrowing needs, meanwhile, are still expanding. "The Euromarkets are awash with liquidity," says Mario Sarcinelli, director general of the Bank of Italy, "and Italy is still regarded as a good borrower with no debt service problems."

Mr. Sarcinelli's observation, supported by other Italian banking and government sources, may come as a surprise.

Euromoney magazine, for example, recently dropped Italy to 31st from 16th place among all countries in terms of credit risk. Italian loans on the Euromarket are now being given an average "spread" of 0.58 percent above the London interbank offered rate (Libor), the highest among major industrialized countries (Britain's average spread is 0.31 percent and France's 0.38 percent).

But Italy is still regarded as a good credit risk, sources say, because of the inherent dynamism of its economy. Furthermore, economic statistics about Italy are notoriously misleading, and there is a widespread belief that the country has the capacity for significant, long-term productive growth.

Three months ago, Mr. Sarcinelli said that Italy would need to borrow a further $6.5 billion in 1982. Now he is revising that figure slightly upward. Italy, he says, will need to borrow $4 billion this year to refinance debts coming due and will require an additional $3 billion to $5 billion in new loans, for a total of $7 billion-$9 billion.

Italy borrowed $2.7 billion in 1978, $3.6 billion in 1979, $7.1 billion in 1980 and $10 billion in 1981. This rapid increase in foreign borrowing, sources say, is caused primarily by *two factors:*

- The worsening of Italy's balance-of-payments situation since 1979.
- The fact that the continued rise of the government deficit which, combined with ceilings established by the Bank of Italy on the amount of money banks can loan out, has forced potential borrowers to look abroad as domestic credit sources have been depleted.

How much more money can Italy afford to borrow? "We're already badly over-borrowed," one bank economist said, "and we will probably go over $60 billion in the next few years. This we might be able to handle, but I don't think we can afford to double the amount we owe now."

The Treasury Ministry and the Bank of Italy recently set up a "consultation system" — sometimes called a "queueing system" — for approving foreign loan requests above $100 million. Every two months, representatives of the two bodies meet with potential borrowers, usually state-owned companies or agencies, to discuss market developments and prospects. Loan requests are assigned priorities — by consensus if possible. The balance sheet of a prospective borrower is an important consideration, sources say, but not the only one.

'Equilibrium' Sought

One goal, says Mr. Sarcinelli, who is largely responsible for setting up and administering the consultation system, is to establish "equilibrium" in loans coming due from year to year.

"The Treasury," he says, "won't allow a degree of indebtedness over a given time frame which cannot be fully serviced in that period. Otherwise, the transfer of interest would go way up and Italy would begin to have some of the same problems suffered by less developed countries, which have to struggle constantly with balance-of-payments problems." He estimates that Italy will be paying $3.5 billion abroad to service its loans until 1984 and $4 billion a year after that.

Italy's central bank, on the Via Nazionale.

Variable Rates

A second goal is to take out future loans, whenever possible, in Deutsche marks rather than in dollars. At present, three-fourths of Italy's foreign loans are denominated in dollars. Since 1979, when the recent borrowing spurt began, the dollar has increased in value to more than 1,300 lire from 800 lire. As Italy must use lire to purchase dollars to repay its dollar-denominated loans, this has meant, in effect, that it has been paying an additional 20-60 percent on its loans solely because of the dollar's gains against the lira.

Loans with fixed interest rates, given today's high-interest climate, are virtually rejected out of hand: More than 90 percent of Italy's recent foreign loans have carried variable or floating interest rates.

Another way in which Italy is trying to reduce the impact of its foreign borrowings is by increasing foreign assets of its own, particularly by expanding export credits. In this way, the money received from Italy's borrowers could be used to pay its creditors.

A list of the nation's major borrowers abroad in 1981 reveals the degree to which state-owned companies, with large debts of their own, are involved in foreign borrowing: ENEL, the state utility, $1.65 billion; ENI, the state energy and chemical company, $1.35 billion; Cassa per il Mezzogiorno, the state fund for developing the south and for distributing earthquake relief money, $1.1 billion; Ferrovie dello Stato, the state railroad, $700 million; Isveimer, the development bank for southern Italy, $400 million; IMI, the government long-term credit agency, $375 million;

(Continued on Page 10S)

As Problems Confront Policy-Makers

Nation Still Banking on Tight Money

By Robert Wazeka

ROME — Cabinets come and go in Italy, and with them the ministers — of budget, treasury and finance — who bear the political responsibility for various aspects of economic policy. But there is a consensus that the real repository of economic wisdom lies elsewhere.

Midway between the parliament and the ministry shared by treasury and budget stands a three-story 19th-century building, flanked by palm trees, that since 1893 has housed Italy's central bank.

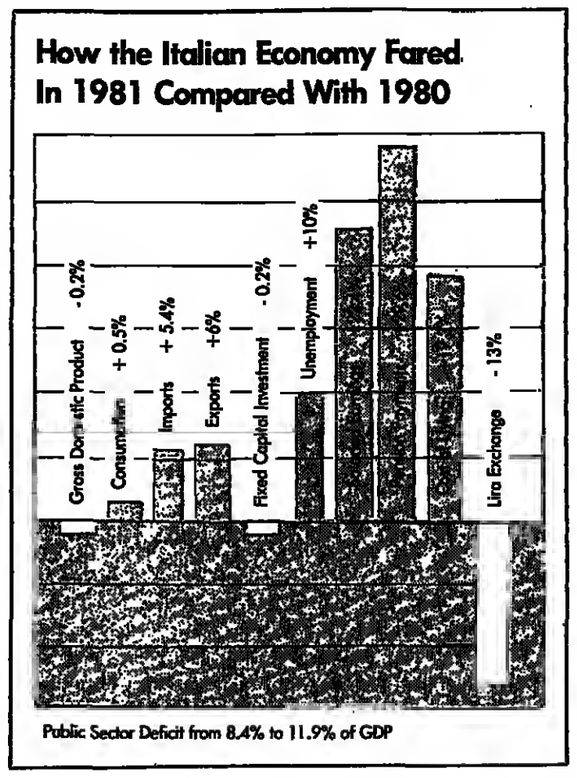
Like most central banks, the Bank of Italy on Rome's heavily trafficked Via Nazionale regulates monetary and credit policy, defends the lira, and regulates the country's banking system.

But in a country characterized by political instability, over the years it has come to be regarded as one of the most, if not the most, powerful central banks in Europe. Seen, since its inception, as a pillar of tradition, its governors — seven in ths century — have been technocrats emerging from Italy's economic establishment.

A bastion of pragmatism rather than of conservatism, bank officials have been trying, since 1979, to reel in a headstrong, overheated economy by means of a restrictive monetary and credit policy that to the outside observer is strongly reminiscent of the strict monetarism adhered to elsewhere.

The bank's present governor, Dr. Carlo Ciampi, has kept the discount rate at 19 percent since March of 1981, when it was raised from 16.5 percent.

The credit ceiling, the limit on the total amount that all banks are allowed to lend, was 30.76 trillion lire in 1981. The central bank, exercising its right to continue to impose the ceiling, increased it by 14.6 percent to 35.24 trillion for 1982. Following the Bank of Italy's lead, the Italian Banking Association held the prime rate at 22.5 percent from March, 1981, until March 1982, when a modest reduction to 21.75 percent was permitted.



This tight-money policy has brought some success. Inflation, for example, which reached 22 percent in 1980, dropped to 20.6 percent last June, to 18 percent in December and to an annual rate of 16.1 percent this March. Since 16 percent was the government's goal for the end of 1982, Italy now finds itself in the rather unusual position of having arrived somewhere nine months early instead of a few years too late.

There are negative signs for the economy along with the positive ones. And what is crucial about these negative signs is that they are occurring in those areas that Dr. Ciampi has indicated as the most important ones for the recovery of the economy.

The first of these is the government deficit, which Treasury Minister Nino Andreatta is struggling to hold to 50 trillion lire this year, but which seems more likely to approach 55-60 trillion lire.

Wage increases, which last year amounted to 7 percent in real terms, are a second problem. Italy's unions have so far resisted all government attempts to modify Italy's *scala mobile*, or quarterly wage indexation system, and after eight months of fruitless talks, discussions have now broken down, leaving the government with a series of difficult contract negotiations.

Inventories Down

A third disturbing sign is that Italian businesses, which have been rapidly running down their inventories in the last several months, may soon begin trying to restock them, possibly provoking a new round of inflation. In this kind of atmosphere, the bank's strict monetary and credit policies are likely to be mainained indefinitely.

In trying to defend the somewhat fragile lira against other currencies, the Bank of Italy has been increasingly forced to draw upon its reserves, which have dropped from $48.9 billion in December to $47.9 billion in January and $46.8 billion in February. On January 31, reserves consisted of $8.23 billion in European Currency Units, $9.56 billion in foreign currencies and $29.99 billion in gold.

Further pressure on the lira has come from the necessity to repay foreign loans and from a negative balance of trade.

In February, Italy suffered a record monthly balance-of-trade deficit of $2.22 billion. For January and February together, the trade deficit was $3.4 billion. During this period, however, Italy recorded a surplus in all goods, except oil, of $265 million, a surplus wiped out by a net oil deficit of $3.67 billion.

Oil Bill Rising

A recent decline in oil prices has been canceled out by the dollar's gains against the lira, with the effect that Italy's oil bill is still rising. The lira was devalued by 6 percent against other European Monetary System currencies in March, 1981, and by a further 3 percent in October of the same year. While it has declined dramatically against the dollar since, it

(Continued on Page 10S)

'A Delicate Phase of Transition...'

Giorgio La Malfa is Italy's minister of budget and economic planning.

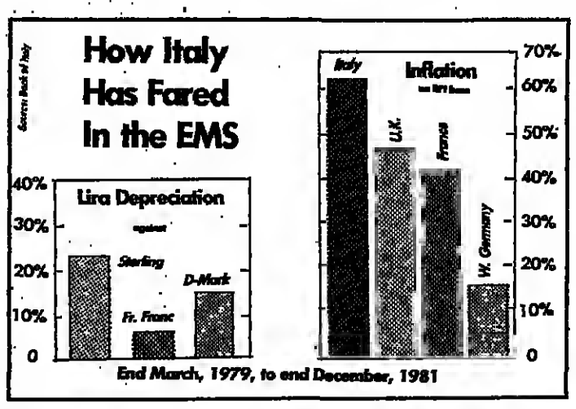
By Giorgio La Malfa

ROME — The economies of Western Europe are in a delicate phase of transition. A decade of enormous economic upheavals, two oil crises, devaluations and revaluations of key currencies, high interest rates and the rise of new industrial societies have created the need for profound economic adjustments.

Italy, where effects of the changing lira-dollar exchange rate have amply demonstrated the vulnerability of the economy to international influences, is no exception.

Some encouraging indicators suggest that, compared to last year, 1982 will be a year of greater stability. But serious problems persist that call for vigorous medium-term policies.

Once again, as in 1963, 1974 and 1976, the current account of the Italian balance of payments has shown great sensitivity to restrictive demand policies. Although for 1981 as a whole the estimated current-account deficit is expected to remain high — at 2.3 percent of gross domestic product — a remarkable improvement was registered in the course of last year.



Between June and December, the previous trend of faster growing imports than exports was reversed, with exports exceeding imports by about 19 percentage points. In real terms, exports grew by about 6 percent while imports fell by 5 percent, leading forecasters to revise downward the expected current-account deficit for 1982 from 6,500 billion lire to 2,500 billion lire. And while this figure may be on the optimistic side, there is every reason to expect the deficit this year to be less than 1 percent of gross domestic product.

The improvement in the current-account deficit allowed the government to lift a compulsory deposit on imports earlier than was scheduled. In addition, the level of foreign-exchange holdings — which over the first five months of the year had declined by almost 50 percent, to $5.5 billion — rose by the end of 1981 to $9.7 billion.

Another positive sign is the slowdown in inflation. The rate of increase in consumer prices declined fom 21.3 percent in December, 1980, to 18.1 percent in December, 1981, and by the end of February, 1982, there was a further drop to 16 percent.

Practically Stagnant

It cannot be denied, however, that the improvement in the current account balance and the slowdown of inflation were achieved at a significant economic and social cost.

After two years of growth at 4 to 5 percent, in real terms, last year the GDP was practically stagnant. Unemployment, now affecting 2.3

(Continued on Page 10S)

Banks Meet Competition With Adaptability

ROME — All last year, Italian bankers complained vociferously about "disintermediation," the process by which bank deposits are diminished because potential depositors choose to do something else with their money. An impressive and unprecedented total of three-fourths of all new savings is now going to buy treasury bills called BOTs and CCTs, and other related government money market instruments.

The consequences of this trend have been dramatic. In 1980, with an inflation rate of about 22 percent in Italy, bank deposits grew by only 13 percent. In 1981, when inflation advanced at only a slightly lower speed, the growth in deposits slid to 9.1 percent.

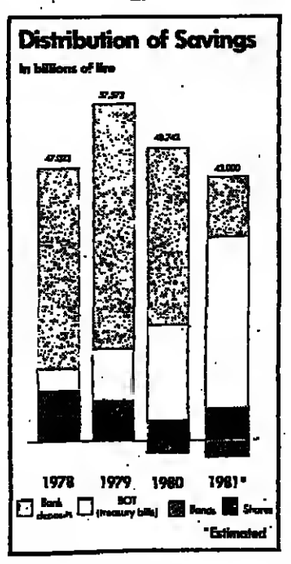
Profits Increasing

In real terms, therefore, deposits have been falling by about 10 percent over the last two years.

And the trend is continuing. On Feb. 1, 1982, according to the Bank of Italy, total banking deposits in the country stood at 278.5 trillion, a drop of 2.8 percent from January.

Yet, in the last few weeks, one Italian bank after another has announced significant increases in net profits for 1981, increases averaging about 50 percent to 60 percent above those posted in 1980. Given the decline in deposits, the general slump being felt by the Italian economy and the continuing credit squeeze being applied by the Bank of Italy, the performance is stunning.

From the saver's poiot of view, it is easy to see why Italians are buying BOTs and other government certificates instead of putting their money into the banks.



BOTs are not subject to the same 20-percent withholding tax as is the interest earned on bank deposits. Moreover, the interest rates they earn are a lot higher.

In 1981, while the interest paid on various three-month, six-month and 12-month BOTs varied between 18.04 and 22.04 percent, bank deposits were paying an average of only 13.33 to 13.44 percent, with maximums of between 18.73 and 19.02 percent. And in practice, interest rates on bank deposits often fall well below 10 percent.

How then, in this kind of financial climate, have the banks been able to generate such a high level of profits? Top banking and government sources point to three underlying reasons.

First, there is a large differential, or "spread," between what banks have been able to charge as interest on loans and that which they have paid out to depositors. The average spread in 1981 went from a low of 11.67 percent in February to a high of 12.67 percent in May. The prime rate for the last 10 months of last year stood at 22.5 percent, dropping to its present level, 21.75 percent, only on March 2 of this year. The spread between the prime rate and the maximum interest on deposits varied between a low of 3.3 percent in December to a high of 4.31 percent in April.

However, actual interest rates often reached 27 to 28 percent, and rates as high as 30 percent were not uncommon, particularly in southern Italy. These spreads, sources say, more than compensated for declines in deposits.

Expanded Services

A second reason for increased profits is that the banks quickly began expanding their range of services, most notably by moving into such para-banking areas as factoring, leasing and bankers' acceptances, operations that the Italian banking system had heretofore been slow to adopt.

Today, such para-banking activity is booming. According to a recent databank study, total para-banking operations in Italy jumped from a level of 1.7 trillion lire in 1978 to 6.8 trillion lire in 1981.

A third reason for the boom is that Italian banks have increased their operations abroad, both in terms of new branches and expanding services and with regard to financing activities by Italian companies in foreign countries.

In engineering, for example, Italian companies have been very successful in winning contracts abroad, often building projects that they are unable to realize at home because of bureaucratic restrictions. And Italian banks have increasingly stepped in to finance such deals.

Despite never-ending discussions of major banking reforms in Italy, sources say that no major structural changes or no major revision of the 1936 banking law are likely to occur in the near future.

Potential Changes

However, many lesser reforms are now at various stages in the governmental process. Many of them are either responses to the current situation of declining deposits or are attempts to redress such endemic problems as a lack of interbank communications, an overload of employees and various restrictive rules and regulations.

Such potential changes include abolishing the withholding tax on bank deposit interest earnings;

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Banking and Finance in ITALY

Vatican Is Said to Plan a Modification of Its Financial Structure

By Sari Gilbert

VATICAN CITY — Pope John Paul II has reportedly decided that earnings by the Institute for Religious Works, generally known as the Vatican bank, will no longer be used for the economic support of the Vatican's central government.

The implications of this decision, which predated a two-day meeting in March by a special budgetary commission of 15 cardinals, are significant for the church's central administration, which is believed to have relied on yearly contributions from the bank ranging from 10 billion to 20 billion lire to help defray its huge operating deficits.

For Vatican administrators, it means some economic rationalization — better use of the income from the investments and properties managed by APSA, the administration of the patrimony of the Holy See, and, if possible, a reorganization of jurisdictions that would transfer some expenditures (*such as* for the *Vatican Radio* or the Vatican newspaper l'Osservatore Romano) from the administration of Vatican City to the central government of the church.

Peter's Pence

It would also mean greater reliance in the future on Peter's pence — the voluntary contribution made by Roman Catholics to the pope and first instituted to ease the church's financial difficulties more than 100 years ago — and in general on the generosity of the faithful, including local churches and religious institutes.

But the decision also suggests some changes, if not in direction at least in attitude, for the 40-year-old institute itself. In one sense it is a return to the origins, since the *exclusive function of its grandparent*, the Sacred Congregation for Pious Causes, which was set up *in 1887 by Pope Leo XIII*, was to collect and manage money for the needs of the universal church.

But according to Vatican experts like Benny Lai, a historian and journalist, the move to reduce the institute's financial burden is also designed to represent an additional guard against new involvements in highly speculative financial operations that in the past represented a risk on both financial and ethical grounds.

Although official details have never been publicly revealed, it is well known that the Vatican suffered *significant losses* in the collapse of Michele Sindona's financial empire in the early 1970s, as well as a blot on its reputation. Several Vatican bankers who sat on the boards of Sindona's banks have been charged with fraud in relation to the Sicilian financier's bankruptcy.

Masonic Scandal

More recently the Italian papers have reported Vatican financial involvement in the holdings of Milan financier Roberto Calvi, who last spring was convicted of illegal capital exports and who has also been implicated in the P-2 Masonic scandal and charged with a key role in the tangled affairs of the Rizzoli publishing empire.

As a result, the president of the bank, Archbishop Paul Marcinkus from Cicero, Ill., has become a favorite target of at least part of the Italian press.

There are recurring rumors in the Italian press regarding the archbishop's eventual replacement at the bank. But the tall, tough-speaking Chicagoan appears to have the pontiff's confidence. Recently appointed pro-president of the pontifical commission for the state of Vatican City, that is, head of the Vatican *governatorato*, he is soon expected to be made a cardinal and either left in charge of the bank or, after hand-picking a successor, made an adviser.

The pope's decision to use the bank's profits exclusively for the universal church's needs, which include subsidies for religious institutes, missionary work, charities and rescue operations — has thus appeared to some analysts as designed to reduce the pressure that in the past may have encouraged wheeling and dealing.

Monuments, Art Works

But it does not make the IOR any less important in the Vatican's financial empire. Considering the fact that much of the Holy See's riches consist of priceless monuments, buildings and art works that can never be sold and thereby transformed into liquid assets, the bulk of the church's wealth is clearly in the hands of the bank.

The IOR's assets are not included in the annual budget that the prefecture of economic affairs prepares for the pope, but press estimates of its worth have run as high as $25 billion.

Located within the Vatican walls in the medieval *torrione*, or tower, of Nicolo V, the bank is believed to have at least 10,000 depositors, all of whom are (according to the bank's mandate to look after and manage the monies destined for religious works) supposed to have promised "all or part" of the capital invested to religious goals.

The depositors include nuns and priests, Vatican residents, a goodly *but unknown proportion* of the world's 100,000 Roman Catholic institutes — and the Vatican secretariat of state itself.

But, according to an inside source, at least 10 percent of the bank's clients are Italian private individuals willing to accept the religious donation requirement in return for the chance to take advantage of the bank's foreign status.

Higher Interest Rates

Sitting on Vatican soil, the bank is not bound by Italian laws and currency restrictions. It offers the depositor higher interest rates that are not subject to the Italian state's 20-percent withholding tax on interest and accounts in foreign currency. And, above all, it affords a freedom of capital movement that since 1976 is prohibited by law in Italy.

Although it has also received innumerable outright donations, not to mention the capital received between 1914 and 1939 from the Benedictine and Pian foundations, the bank's wealth stems, like that of any other successful bank, from the skillful use of its depositors' funds.

Set up in its present form by Pius XII in 1941, substantial money was channeled into Italian reconstruction projects after World War II. The IOR thus carved a significant role for itself in banks, insurance companies, chemicals, textiles, heavy and light industry, engineering, pharmaceuticals, real estate and navigation.

Throughout the 1960s, the Vatican's policy was to invest heavily in Italy, wherever possible buying a 51-percent interest. Subsequently, political and economic instability, as well as growing criticisms of the church's role, are said to have led to a policy of disinvestment in Italy, limited to smaller, noncontrolling participations and to the gradual construction of a portfolio that is said to be heavy in top European and American companies.

The only bank now outrightly owned by the IOR is reportedly the Banca Romana per la Svizzera, in which the Banco di Roma owns the other 49 percent. In Italy, the IOR still has an interest in Banca Cattolica Veneta, Banca Provinciale Lombarda and Banco di San Gimigniano e San Prospero.

Lateran Pacts

With the secretary of state as a client, the bank no doubt also has indirect access to the other side of the Vatican's financial wealth, that which derives from the reparations paid to it by the Italian state upon the conclusion of the 1929 Lateran Pacts.

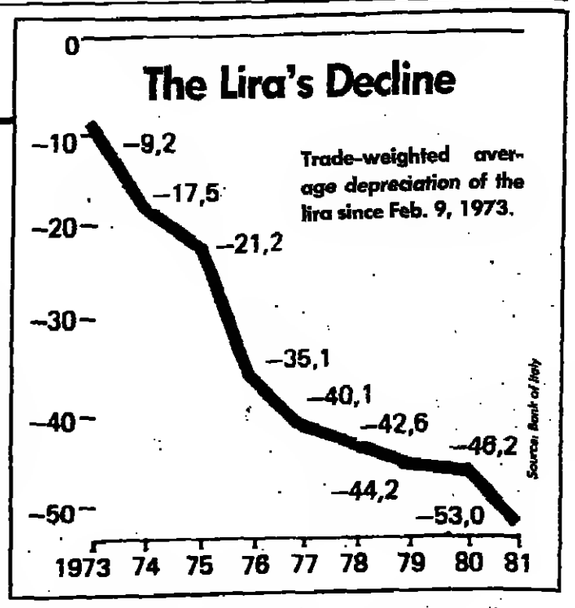
That treaty and concordat, which in effect ended the state of hostility that began when Italian troops seized Rome in 1870, putting an end to the popes' temporal rule, assigned to the Vatican 1 billion *lire* in 5-percent government bonds and 750 million lire in cash.

At the time that was the equivalent of about $90 million, and the money was invested by Vatican banker Bernardino Nogara in foreign exchange, gold and property (the Vatican is said to own 5,000 apartments here, vast hectares of land and scores of *palazzi*).

This wealth, however, has not been sufficient to prevent the Vatican's daily operating costs from running into the red. In the last few years, costs, including salaries and pensions for 5,179, have generally exceeded by at least $20 million a year the earnings from rents, dividends and investments combined with other revenue deriving from the sale of stamps and coins and tickets to the Vatican museums.

The Vatican first revealed budget figures for the Holy See in 1979 when it disclosed a deficit of $20.1 million. In 1981 the deficit was $26 million, and for this year it is projected at more than $30 million.

Sari Gilbert, an American based in Rome, has contributed frequently to the International Herald Tribune.



Banking on Tight Money

(Continued from Page 9S)

has achieved some stability against other EMS currencies.

One reason for this is that speculation against the lira has been greatly reduced. While other EMS currencies are allowed to fluctuate up or down by a margin of 2.25 percent, the lira has been given a margin of 6 percent, something that has helped discourage speculation. For the moment, therefore, there appears to be no imminent danger of another devaluation.

In its third area of responsibility, the supervision of Italy's overall banking system, the bank has been regarded by many observers as conservative, overly restrictive and unimaginative. A freeze on the creation of new banks, for example, that has been in effect since 1966, and much of the seemingly unnecessary paperwork that takes place in Italian banks are the result of Bank of Italy regulations. Then there are anomalies in the geographic distribution of banks, such as the fact that Milan, with 1.7 million people, has 72 banks, while Turin, with 1.2 million people, has only six.

Some sources see two reasons for the central bank's apparent resistance to change in this area. One is the desire to preserve local bank autonomy by protecting rural banks from what it regards as unfair competition from the big city banks. As a result, Italy, which has just over 1,000 banks in all, finds itself with about 650 rural banks that together handle less than 1 percent of the country's total banking transactions.

Another reason is that the bank feels that competition can best be preserved from within a regulated environment. To open Italian banking up to a laissez-faire climate, sources say, would be to permit larger banks to swallow smaller ones, thereby retarding true competition. The positive result of this laissez-faire attitude has been the preservation of local autonomy and competition. But a result has been to delay interbank communication and leave Italy lagging behind many other industrial countries in bank services.

With 11 of Italy's top 15 banks owned by the government, the Bank of Italy, of necessity, has had to interact more closely with the government than do central banks in many other countries. Yet it has managed, even under Mussolini, to preserve its independence. Like the Vatican, it is part shadow government and part super-ego, reminding the ever-extravagant Italians that there is a time to take one's medicine as well as a time to play in the sun.

Robert Wazeka, an American, is a free-lance correspondent based in Rome.

'A Delicate Phase of Transition . . .'

(Continued from Page 9S)

million workers, rose to 10 percent of the labor force — with unemployment among young first-time job seekers up by 26.3 percent over 1980 — and it is expected to rise further before an industrial recovery begins later in the year. Investments also declined by 0.2 percent, compared with 1980.

In the short term, therefore, the Italian government's policy objectives are to reduce inflation further — to a 1982 average of 16 percent and to 13 percent by the end of this year — and to target GDP growth for 1982 at 2 percent, in real terms.

To achieve this, the government plans to keep the public-sector borrowing requirements to within 50 trillion lire, or 10 percent of GDP, a decline from the 12.3-percent level reached in 1981.

This is deemed compatible with a target of 73 trillion lire for total domestic credit expansion. The government is also actively trying to convince labor unions and business groups to keep wage-renewal agreements within the range of the *projected inflation target.*

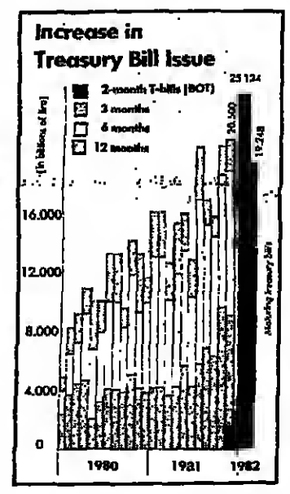
These policy objectives should be viewed, however, as part of a longer-term strategy designed to bring inflation down to the average level of the major industrial countries and to carry forward a process of real economic adjustment. A three-year plan for the 1983-to-1984 period sets no specific targets for macroeconomic variables but calls for policy actions designed to increase real GDP growth, reduce inflation, improve the balance of payments on current account and better the conditions of the southern regions in relation to the rest of the country.

With regard to public finance and the public-sector borrowing requirement, the plan seeks to stabilize the ratio of fiscal intake to GDP, avoiding fiscal drag; to reduce progressively the ratio of current public expenditure to GDP and to speed up investment expenditures by the public sector from the current 4 percent to between 8 and 10 percent. A committee of experts will be set up to use *cost-benefit analysis to evaluate all* future investment projects in terms of their contribution to increased productivity.

The plan also calls for decreasing rates of growth in the money supply, while agreements with the trade unions should keep the cost of labor in line with the declining inflation rate. There is a general orientation in favor of deregulating the economy and reducing the extension of the vast public enterprise system.

The major thrust of the plan is to bring about significant economic adjustments by increased reliance on fiscal and wage policies and reduced use of monetary policy as an instrument of insuring economic stability. The major question is whether at present the plan is politically feasible.

There is no doubt that the present government, led by Giovanni Spadolini, the first non-Christian Democrat to become prime minister in more than 30 years, has had considerable merit in the turnaround of the economy between 1981 and 1982. But only the future can say whether the five-party coalition will be able to provide the political consensus needed for a more fundamental change of economic policy.



Adaptability

(Continued from Page 9S)

easing of controls on uses to which bank deposits may be put; the creation of domestic mutual funds; posting of consistent, non-negotiable interest rates for bank deposits; resolving the question of *pari-ficatio*, or standing before the law, which currently allows public bank employees to be tried for such "offenses" as making bad loans (something for which private bank employees are not liable); ending of bank secrecy; eliminating the Italian Exchange Office (UIC) as an adjunct of the Bank of Italy; opening up company balance sheets and minutes of stockholders' meetings to the Bank of Italy as a way of preventing the spread of interlocking directorates and phony trusts; permitting private and institutional investors to acquire a limited capital interest in savings banks, something that is now prohibited, and giving the Bank of Italy more control over para-banking activities.

Even such limited reforms, however, are likely to take long to put into effect. The banks, until they are given the means to attract new deposits, will have to rely on adaption and innovation in order to survive. So far they are doing quite well.

— ROBERT WAZEKA

Curbs Sought

(Continued from Page 9S)

SIP, the state telephone company, $350 million, and Finmeccanica (IRI), the state steel company, $300 million. Together, these eight borrowed $6.225 billion in 1981.

Banking sources estimate that the troubled steel and chemical industries might need to borrow $10 billion to $20 billion at home and abroad over the next decade for needed new investments. In addition, some portion of Italy's ambitious 10-year, $70-billion energy program will need to be financed by foreign loans.

It is likely, in short, that Italy will need to increase its already considerable foreign borrowing over the next few years. And there is apparently enough money available in the Euromarkets to do it. The country thus faces the difficult choice of deciding if it wants to go in this direction — and if so, to what extent.

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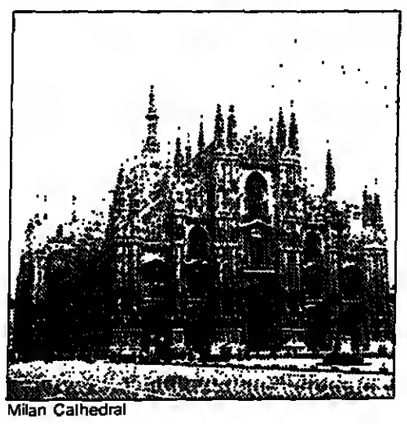
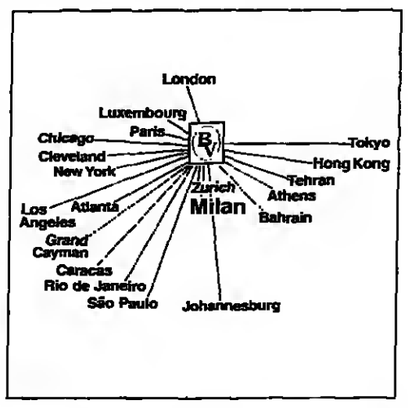

Milan Cathedral



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Banking and Finance in ITALY

Proposed Law Is Seen Ending Bank Secrecy

Special to the IHT

ROME — Secrecy, a long-time tenet of Italian banking, is being threatened by a proposal put forward last month by Italy's Socialist finance minister.

The 55-year-old minister, Salvatore Formica, says that the purpose of a proposed decree law limiting bank secrecy is to sharpen the crackdown on large-scale tax evasion and to combat organized crime.

But the attack on confidentiality has banking and business circles in an uproar. The new law, if approved, would give sweeping and unprecedented investigative powers to Italian tax officials and to financial police, and as such has already aroused extensive opposition.

While conceding the need for some reform of the present system, bankers, businessmen, politicians and jurists are concerned that the proposed sharp restrictions on confidentiality would impinge significantly on the right to privacy.

The change would give inspectors direct access to bank files.

New Problems Feared

In addition, there is concern that the new measures could create serious economic and financial problems, interfering with the accumulation of savings and possibly provoking a new wave of capital flight.

Italian legislation does not explicity recognize the right of confidentiality to bankers, as it does to doctors and journalists. But, as a firmly established precedent, it has nevertheless acquired a near-legal status.

Ever since 1973, Italy's tax offices have had the right to apply to Italian banks for copies of a depositor's accounts when there was a suspicion of tax evasion or other illegal activity.

But along with extending the legitimacy of these requests to include Italian insurance companies, the proposed draft for the first time would give tax inspectors and finance police direct access to bank files as well as the right in some cases to confiscate relevant documents.

Another highly controversial clause would allow tax inspectors and police to search a professional's office without a judicially approved search warrant.

Mario Usellini, a Christian Democrat who is chairman of the 30-member parliamentary joint commission that is examining the bill, said that most of the opposition to the bill revolved around the question of direct access to banks by a police corps and to the exclusion of the judiciary branch from the investigative process.

The commission will hold hearings, and by the end of May will hand the government an opinion, which is not binding, on the Formica bill.

Similar concerns, bowever, have already been expressed by the Italian Banking Association. Following the presentation of the bill on March 18, the group issued a statement declaring support for the crackdown on tax evasion but saying that the extensive powers accorded to tax authorities by the bill were worrisome.

Held Unconstitutional

The Italian national manufacturers' association, Confindustria, said the bill as now written "means giving an enormous amount of power to the tax office, [something] that is likely to lead to misuse."

And Guido Ruta, professor of bank law and former legal adviser for the Bank of Italy, suggested that the provisions might be unconstitutional, saying it was inconceivable "to allow a police corps direct access to a bank to search, inspect and confiscate at will without a judicial mandate."

Banking and business groups have also expressed alarm over the possible economic consequences of a decision to weaken confidentiality. There was speculation that the new decree, if approved by the government, could lead to many attempts to export capital illegally.

According to Victor Uckmar, a tax expert, the restriction of confidentiality and the establishment of the principle of direct access to banks and professionals' offices could cut sharply into savings, creating additional problems for the banking sector.

Partly because of the lure of Italy's high-interest treasury bonds and certificates, the value of bank deposits here has been declining sharply. Compared to a yearly growth rate of 20 percent several years ago, deposits here last year grew by only 9.1 percent, a sharp drop even from the 13-percent growth rate in 1980.

Stocks Are Struggling to Regain Momentum

Special to the IHT

ROME — Almost a year after its collapse last summer, the Italian stock exchange is still struggling to regain momentum.

Although the market managed to recover a good share of lost ground by the year's end, activity in recent months has remained somewhat depressed, with irritated stockbrokers blaming the reduced volume of daily trading on oew anti-speculation measures, namely margin requirements for forward deals in shares, involving a 30-percent cash deposit for purchases and a 70-percent deposit for equities sold.

Since the beginning of the year, in fact, trading has been limited. Furthermore, after the market index posted a 9-percent loss in mid-April, brokers and analysts agree that though a few industrial and financial shares could become stronger, the general outlook is for continued uncertainty and probably an overall decline. On April 15, the Milan stock exchange index stood at 988, down from the Jan. 4 year-opener of 1,000.

At Consob, the national bourse commission, officials are nevertheless optimistic that the selling crisis that last year forced the country's 10 markets to suspend trading for a week may actually have brought some good.

Stimulating Interest

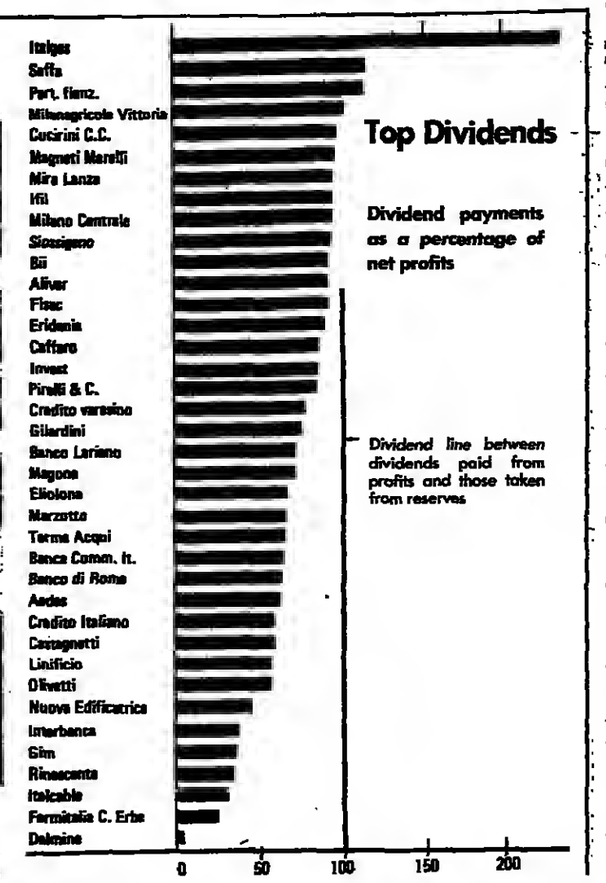
According to Consob's president, Guido Rossi, inflatioo and high interest rates are stimulating a renewed interest in the bourse by Italian companies, which need new capital.

Attempts to lengthen and clean up the stock exchange's unusually short quoted list and the introduction of new and standardized accounting practices are designed to help re-establish the bourse's credibility. The margin requirement restrictions, which can be increased for shares that are, particularly fragile — like Bastogi, for which a 100-percent deposit is now required — are designed to reduce the stock exchange's long-standing volatility.

Critics of Consob say that last year's collapse was provoked, at least in part, by the commission's June 16 order — later revoked — banning traditional forward-share trading in favor of immediate settlement.

But other analysts say that the sharp increase between 1979 and mid-1981 that after years of dormancy had led most Italian stocks to double or triple in price was, in itself, a harbinger of doom.

Action is lively on the floor of the stock market at Milan.



Undoubtedly, when the boom began in late 1979, many stocks were undervalued. But the growing inflow of funds at a time of tightened bank credit forced prices to unrealistic heights, in the process attracting inexperienced investors who were lured by the prospect of short-term gains. Between January and June of 1981 alone, the market's historical index rose more than 60 percent. And then the bubble burst.

Consob officials insist that current levels of trading reflect the real value of Italian stocks better than the inflated figures of last year. Although there are some exceptions, many of the 20 top stocks — including Olivetti, Pirelli, Mediobanca, RAS, Toro, Franco Tosi, Generali and SMI — are not doing at all badly.

And last year's cancellation of five stocks — Profing, Pantanella, Montefibre, Liquigas and Rumianca — and the suspension of several others, also helped to bring the board listing better into line with real investment criteria.

Looking back, the fact is that last year's crisis — the first shutdown of the bourse since 1917 — may finally have given Mr. Rossi the opportunity to marshal support for much-needed reforms.

The small number of firms on the quoted list and the small number of shares actually valid for trading have combined to make the Italian bourse an easy victim of speculative operations that disguise real values and susceptible to extremes of variability that discourage the investor.

The net result, according to one expert, is that what Italians call the secondary financial market has largely failed to fulfill efficiently its function of providing a meeting ground for savings that are available to be converted into risk capital and companies seeking new investment.

A look at the figures tells much of the story. Only 144 companies are currently listed on the Milan bourse and together the listings on all of Italy's markets (the others are Rome, Turin and Genoa followed by Bologna, Florence, Venice, Trieste, Naples and Palermo) number no more than 178.

Although in addition, 20 percent of a company's share capital is supposed to be available for trading, in the case of many companies that are quoted, particularly state- or family-owned firms or banks, this amount (il flottante) is as narrow as 5 percent.

The reasons for the restricted number of listings are varied. The major one is that the overwhelming majority of Italian companies — about 60,000 — are small and medium-sized family enterprises whose owners have been frightened by the prospect of disclosure, intent at all costs on maintaining absolute family control. They have preferred to depend on outside, i.e., bank, support.

Furthermore, since the 1960s this tendency toward indebtedness rather than self-financing has been encouraged by the state's policy of subsidized credits, and by the fact that the country's tax structure has consistently made share capital more expensive than increased indebtedness.

Now, however, high inflation and a consequent increase in the cost of money — now between 25 and 28 percent — has somewhat altered the situation, making the securities market increasingly attractive. After a period of stagnation from 1973 to 1980, new shares have again begun to appear on the board. Between January, 1981, and June of this year, 10 new companies will be quoted on the Italian markets and in the last two years almost 8 trillion lire has been raised on the market through successful capital increases and convertible bond issues.

Small Investors

To broaden and deepen the bourse, Consob has also been backing measures designed to encourage the small investor. Small investors have normally looked to real estate and bank accounts, and one attraction of the high-interest treasury bills (BOT) now in demand is that, in contrast to shares — dividends on which are subject to a 10-percent withholding tax — they are tax-free.

Two laws now before the parliament would encourage these small investors, one by suspending the capital gains tax where stock sales are concerned and the other by permitting the establishment of Italian mutual funds that could better channel the savings of the small depositor. The 10 funds that operate in Italy are all incorporated under foreign law.

Perhaps the most encouraging sign for investors is a boom in projected dividends. Although cautious Consob officials say that all the data are not yet in, the Italian magazine Espresso recently reported that this year three-fourths of the companies quoted on the Italian stock exchange will use profits or reserves to pay dividends to shareholders.

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Patience a Big Asset in Everyday Banking

MILAN — In the days of the Medicis, Lorenzo the Magnificent of Florence was the banker for Europe's kings, and in post-Renaissance years the bankers of Milano in Italy's Lombardy region played such a key role in Europe's financial and commercial affairs that Lombard Street in London's financial center was named in their honor.

Banking thus goes back a long way in Italy, where one of the country's six semi-public banks, Monte di Paschi di Siena, can even boast on its letterhead of a founding date that reaches back to 1472.

But the weight of tradition can, at times, be heavy. Modern banking in Italy is in fact burdened by a detailed structure of complex rules and regulations (the ABC's of most banking operations are spelled out in the country's Roman Law civil code) that make for an excess of red tape and bureaucracy.

Frustrating Experience

Poor customer relations, excess labor, limited mechanization and the shortest banking hours in Europe — about four hours a day, depending on the region, from Monday to Friday — mean that, for the customer, everyday banking in Italy is often a frustating experience.

For many foreigners, in fact, a visit to an Italian bank means a lesson in patience. A national aversion to queueing, which the banks do little to counter, means that much valuable energy is lost in establishing one's place in line and in catching the eye of the clerks.

Many operations are still done in longhand, computers appear to break down easily, and newly ordered checks must be individually and mannally stamped. To withdraw or deposit money, one moves to the cashier's window. Banking unions appear determined to protect labor-intensive forms of operation like the traditional separation of teller and cashier functions.

The unions' reluctance to accept new forms of rationalization and mechanization for fear of job losses represent one obstacle to change. But, according to one Italian banker, at the root of the problem of consumer relations is a basic antagonism between customer and bank, reflecting mutual suspicion and mistrust.

Checks Limited

For its part, the bank does not entirely trust its present and potential clients, witness the substantial initial deposits often required to open a checking account and the limited number of checks — only books of 10 or 20 are available — issued at one time.

The customer, on the other hand, is irritated by the continual hassles, high fees, poor service, short hours and infrequent or incomprehensible statements.

He is also convinced, not always without reason, that where possible the bank will take advantage of him. For example, banks here assure themselves of the benefit of float by debiting checks on the date of issue rather than clearance, and many take several days to give credit for deposits, even if the operation actually takes place the day the deposit is made.

The fact is that despite the recent drop in deposits, banks here still have not adopted the aggressive marketing practices used elsewhere to attract clients. "Most banks here still act as though they are doing the client a favor," said an American banker working in Rome.

This is best reflected in matters involving interest rates, which are generally not fixed but depend on negotiations between bank and client.

Small depositors work things out directly with the teller who opens their account; those with substantial amounts of money negotiate with the bank director and can get rates as high as 17 percent when assurances are made that these large deposits will remain in the bank for a significant period.

In any event, upward changes in interest rates are left to the client's initiative (downward shifts are automatic). There are reportedly thousands of older people here who are still getting only 2 or 3 percent interest on their savings accounts, simply because no one has ever informed them that interest rates have increased and that they can ask for an adjustment.

This is not to say, however, that there have been no changes. Significant innovations are being made, particularly in the realm of para-banking activities.

Some firms now pay salaries directly to an individual's bank, which in turn will take care of rent and utilities payments. Some are offering credit cards with out-of-hours banking and cash-dispensing services. And, for the first time, a few banks are offering easier, long-term loans for home repairs or students are actually advertising.

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NYSE Nationwide Trading Closing Prices April 29

Tables include the nationwide prices up to the closing on Wall Street.

Market Summary

April 29, 1982

Dow Jones Averages

	Open	High	Low	Close	Chge
30 Ind	844.38	852.93	840.09	844.94	+2.20
20 Trs	348.88	348.44	348.03	348.44	+1.56
15 Util	113.86	114.65	113.09	114.31	+0.61
65 Stk	333.53	336.11	330.78	332.75	-2.72

Market Diaries

	NYSE Close	NYSE Prev.	AMEX Close	AMEX Prev.
Volume	57,252	57,127	5,681	5,268
Adv.	669	586	514	268
Vol. Up	10,88	15.44	1.17	1.38
Decl.	973	841	318	509
Vol. Down	135.47	28.28	11.72	1.18
Unch.	446	233	221	221
Total	1,671	1,663	744	748
New highs	38	39	5	6
New lows	28	28	5	5

NYSE Most Actives

	Sales	Close	Chg.
Steri Drug	1,783,500	24	+1¾
Winnebago	1,292,300	63	+1⅝
RaisinPur	1,200,600	13	+⅛
Gen Motors	652,400	63	+⅛
StdOilCal	634,600	57	+⅛
Xerox Co	560,000	57	+⅛
Norton Sim	517,600	32	+⅛
Gouldinc	512,600	39	+⅛
Chrysler	494,800	8⅝	+⅛
IBM	491,600	65	+⅛
Wolworth	465,400	32	+⅛
AmerT&T	456,800	59⅝	+⅛
PennCentra	450,500	1¼	+⅛
SciaAtl	427,200	49	+⅛
FedExpress	424,200		

NYSE Index

	High	Low	Close	Chge
Composite	97.20	94.86	94.86	-1.74
Industrials	113.53	110.69	110.69	-2.24
Transp.	57.82	57.48	57.48	-0.56
Utilities	39.34	39.18	39.34	+0.23
Finance	70.99	70.70	70.70	-0.53

Standard & Poors Index

	High	Low	Close	Chge
Composite	117.62	116.56	116.56	-1.13
Industrials	128.54	126.97	126.97	-1.57
Utilities	55.36	54.85	54.84	-0.38
Finance	14.43	14.28	14.28	-0.15
Transp.	78.76	78.40	78.51	-0.22

AMEX Most Actives

	Sales	Close	Chs.
Chrome Ho	123,400	3¾	+⅛
DomePfr s	117,200	7½	+⅛
Not Potash	104,400	16⅝	+⅛
BearHmtA	91,200	1⅝	+⅛
TECom s	68,100	15⅝	
Wang B	64,200	31⅛	
Intl Brdcast	62,200	5¾	
Burns Intl	62,000	27⅜	
Louisv Cmt	61,500	19	
Amdahl	59,800	29¾	

AMEX Stock Index

High	Low	Close	Chge
272.86	271.54	271.13	-1.71

Odd-Lot Trading in N.Y.

	Buy	Sales	*Short
April 28	113,455	289,985	1,125
April 27	128,871	324,459	736
April 26	134,338	327,445	1,045
April 23	122,449	317,425	803
April 22	126,030	319,047	

*These totals are included in the sales figures.

Dow Jones Bond Averages

	High	Low	Close	Chge
Bonds			59.57	+0.03
Utilities			58.27	+0.24
Industrials			60.78	+0.23

Key Figures Rabobank 1981

Key Figures as of December 31, 1981.
(in millions of Dutch guilders).

Total assets	110,433
Total loans	67,824
Total deposits	82,571
Net income	525
Number of:	
Offices	3,071
Employees	27,938
Savings accounts	8,510,000
Personal cheque accounts	2,840,000
Other current accounts	410,000

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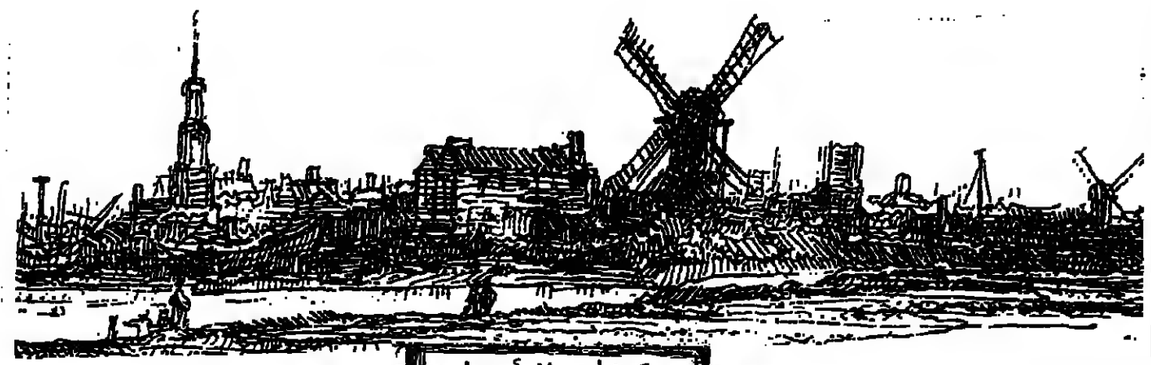

(Continued on Page 14)

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Page 13 Friday, April 30, 1982 * *

BUSINESS/FINANCE

BUSINESS NEWS BRIEFS

Compiled From Agency Dispatches

Woolworth Says Losses Widened

NEW YORK — F.W. Woolworth & Co. said Thursday that it expects to report a sharper loss for the first quarter than the restated 10-cents-a-share deficit a year earlier. The company plans to report first quarter earnings next month.

Woolworth cited weaker sales at domestic Woolworth and Woolco stores and at outlets abroad, pressure on profit margins and unfavorable currency translations.

The company said the first quarter is the least important quarter and not indicative of overall year. The company restated its earnings for the 1981 first quarter after it adopted a new accounting standard for foreign currency translation. It reported a loss of 23 cents a share for the 1981 first quarter before the restatement.

Tenneco Outlines Divestment Plan

HOUSTON — Tenneco plans a divestment program this year that will generate more than $400 million for repayment of debt, Chairman J.L. Ketelsen told the annual meeting Thursday.

In addition to the previously announced sale of the company's Canadian oil and gas properties, he said Tenneco had agreed to sell the Bush Boake Allen flavors and fragrances unit of its Albright & Wilson Ltd. subsidiary in Britain to Union Camp. He did not disclose the price. Mr. Ketelsen said these two divestitures will account for about half of the program planned for 1982.

Fluor to Plan Chinese Mine Project

PEKING — Fluor has signed a contract with the Chinese Coal Ministry to plan the modernization of an open-pit coal and oil-shale mine.

Fluor officials would not disclose the contract's value but said the engineering and design services would cost about $50 million if done for an American mine. The officials said they hope the contract will be the first in a series.

Fluor said that the project will roughly double the output of the Fushun West mine in the northeastern Chinese province of Liaoning, to about five million tons of coal and eight million tons of oil shale a year. Fushun, China's biggest operating open-pit mine, began production in 1914 and now uses Japanese equipment installed in the 1930s.

Exchange Rates Hurt Nestlé Sales

ZURICH — Nestlé said Thursday that its group sales in the first quarter were down 7 percent from a year earlier.

The food company's managing director, Helmut Maucher, said at a press conference that if exchange rates had remained constant, sales would have been 14 percent higher. He predicted that the company's profit for 1982 will not be dramatically different from 1981's 964 million Swiss francs ($494 million).

Maytag Plans to Acquire Jenn-Air

NEWTON, Iowa — Maytag said Thursday that it has agreed in principle to acquire Jenn-Air and Jenn Industries from United Technologies.

The appliance maker did not disclose the price but said it would pay in cash and notes. Jenn-Air makes electric ranges, and Jenn Industries produces ventilation equipment.

Copper Firm Pleads Force Majeure

NEW YORK — Southern Peru Copper Corp. declared force majeure on blister copper shipments because of strikes at its Peruvian mines and plants, a spokesman said Thursday.

Products covered by the declaration include blister copper produced at the company's Ilo smelter and molybdenite concentrate produced at its Toquepala mine and concentrator, the spokesman said. Molybdenite concentrate produced at the Cuajone mine and concentrator is not affected.

U.S. Firms Grow Concerned for Argentine Ties

By Lydia Chavez
New York Times Service

NEW YORK — As the Falkland Islands crisis worsens, U.S. companies, which have doubled their investment in Argentina since the mid-1970s, have become increasingly concerned about their operations in that country.

Argentine offices have been told by their parent companies in the United States to restrict travel in Argentina and to maintain a lower profile. These steps are being taken in order not to exacerbate any anti-American feelings that may arise because of the United States government's historical political commitments to Britain.

U.S. companies have some $2.4 billion in direct investment in Argentina and, as the negotiations go on without any settlement, executives are becoming more pessimistic. The threat by Britain's Prime Minister Margaret Thatcher of further military action has heightened corporate worries.

"We are considering Argentina a temporary war zone," said Dale Frye, manager of corporate security for Miles Laboratories. Miles, which has a sales office in Buenos Aires, has restricted travel in the country.

Some companies have already taken limited precautions against the possibility of trade retaliation by Argentina. Suppliers to U.S. subsidiaries in Argentina have asked for letters of credit, or bank guarantees, to ensure that payments from the Argentine-based subsidiaries will be made, according to Frank Bunch, assistant director for the Latin America division of Du Pont.

As for major U.S. banks, they are quietly sitting tight to see how the crisis is resolved. With loans to the Argentine government and residents of $9.2 billion, up from only $1.7 billion in 1975, these banks have perhaps the largest investment in the country.

Both the First National Bank of Boston and Chase Manhattan have have significant branch operations in Argentina. First National has 22 branches and more than $1 billion in assets. Chase has 10 branch operations.

For the most part, bank executives declined to speak for attribution. "We have relations with both parties and we try to lean over backwards not to offend either one," an executive of one major bank said.

"Of course we are nervous," the Latin American specialist for a leading U.S. bank added. "The economy is going to suffer; there will be higher military imports, more capital flight, and foreign investment is going to be scared away. It all takes its toll."

Much more affected than U.S. interests are the British banks that have outstanding

(Continued on Page 15, Col. 7)

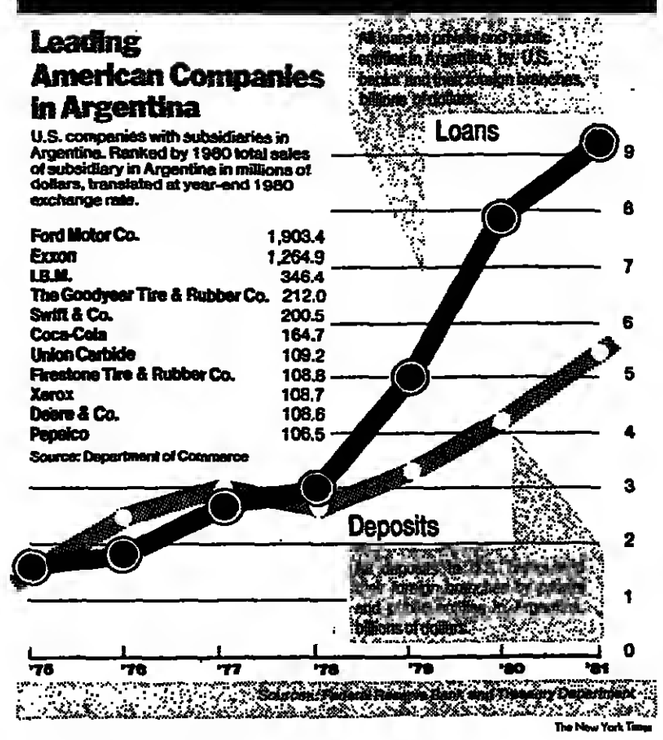
Argentina's Economic Ties with the U.S.

Leading American Companies in Argentina

U.S. companies with subsidiaries in Argentina. Ranked by 1980 total sales of subsidiary in Argentine in millions of dollars, translated at year-end 1980 exchange rate.

Ford Motor Co.	1,903.4
Exxon	1,264.9
I.B.M.	346.4
The Goodyear Tire & Rubber Co.	212.0
Swift & Co.	200.5
Coca-Cola	164.7
Union Carbide	109.2
Firestone Tire & Rubber Co.	108.8
Xerox	108.7
Deere & Co.	108.6
Pepsico	106.5

Source: Department of Commerce



NYSE Prices Slip With Budget Talks Failure

From Agency Dispatches

NEW YORK — The inability of Congress and President Reagan to agree on a federal budget compromise caused prices on the New York Stock Exchange to drop sharply Thursday.

The Dow Jones industrial average slid seven points in the first hour, pulled back to a drop of about 3½ at midday and then closed down 7.70 points at 844.94. Declines led advances, 980 to 430, as volume edged up to 51 million shares from 50.53 million.

Analysts said investors were also worried by a rise in some short term interest rates and the continuing possibility that the Falkland Islands crisis will result in war.

Analysts said the main concern on Wall Street, however, was the lack of a federal budget accord. After a meeting between President Reagan and congressional leaders Wednesday, both sides of the disputes said they were separated by deep philosophical differences.

Analysts said investors see a long legislative battle on budget plans and in the meantime the financial markets are expected to face continued uncertainty about future federal deficits and their impact on interest rates.

But other analysts said the failed budget negotiations merely intensified the profit-taking following the market's rally during the past six weeks.

"Markets find excuses to do what they think is appropriate anyway," Robert Stovall, Dean Witter Reynolds senior vice president, said. "The market had been in a rally for the past six weeks and the rally was looking for an excuse to rest. The political developments in Washington provided that."

Meanwhile, Manufacturers Hanover Trust and Continental Illinois National Bank & Trust raised their broker rates to 16 from 15 percent and Chemical Bank raised its rate to 16½ percent.

In Washington, the Labor Department reported that business productivity rose at a 0.3-percent annual rate in the first quarter, reversing a plunge of 6.9 percent at an annual rate in the final 1981 quarter.

The report said the small gain in productivity resulted from a 3-percent drop in output and a 3.3-percent decline in working hours.

Dollar Plummets In Hectic Dealings

From Agency Dispatches

NEW YORK — The dollar fell sharply in hectic trading here Thursday morning after taking a sudden nosedive in European trading.

The drop was particularly sharp against the Deutsche mark. The U.S. currency was quoted in early trading in New York at 2.3385 marks, up from its low for the day of around 2.3350 but still well below the opening level of 2.3565.

Dealers were confused by the sudden rush of dollar selling. Some said it reflected a view that American interest rates are likely to fall soon, an expectation bolstered by marked slowing in U.S. inflation.

Other foreign exchange analysts, however, suggested that traders were paying less attention to interest rates, which have kept the dollar high for months, and focusing on economic fundamentals. On Wednesday, West Germany reported a record 6.4 billion-mark trade surplus for March. Meanwhile, the U.S. recession is persisting stubbornly.

Another factor that apparently helped the mark was a cut in time-deposit rates at major Swiss banks Thursday morning. The move brought the difference in the rate of return from investments in the two countries into sharper relief, some dealers said.

Analysts said the dollar's fall appeared to be steepened by selling emanating from Chicago's International Monetary Market, where some traders' charts called for dollar sales.

In early New York trading, the dollar remained firm against the Swiss franc. The U.S. currency was quoted at 1.9577 francs, compared with an opening of 1.9595 and Wednesday's close of 1.9510.

The pound rose to $1.7957 from $1.7830 at the opening and $1.7850 Wednesday. The dollar also slipped to 235.82 yen from 237.70 at the opening and 237.57 Wednesday.

The dollar's drop came despite firmness in short-term U.S. interest rates. The rate on federal funds, reserves banks lend one another overnight, was quoted at 16 percent early Thursday. That was down from a high of 19 percent Wednesday, but the rate often fluctuates wildly on Wednesdays as banks settle their accounts for the week. Late Tuesday, the funds rate was quoted at 13.875 percent.

In late afternoon trading in Western European markets, the dollar rapidly lost three pfennigs against the mark to close at 2.3385 marks in Frankfurt, its lowest level since early March. The pound rose almost two cents to $1.8010 before falling back, while other European currencies hardened in line with the trend.

Dealers said the late flurry in Europe had little to do with the British-Argentine confrontation over the Falkland Islands, which had held traders' attention earlier in the day.

In London, gold's price fell by $3.25 an ounce between fixings in thin trading and ended the day at around $388.75 an ounce.

Chrysler Sale Offsets Loss On Operations

The Associated Press

DETROIT — Chrysler reported Thursday that it had a profit of $149.9 million in the first quarter, but the No. 3 U.S. automaker would have had a loss if it had not sold its profitable defense subsidiary.

Chrysler Chairman Lee A. Iacocca said the company recorded an $89.1 million loss from operations in the first three months, but that was offset by the $239 million it got for its tank production unit. A year ago, Chrysler had a loss of $289.3 million for the first quarter.

Chrysler's results reduced industrywide losses to $128.2 million, just over a fifth of the $600.6 million the industry lost in the first quarter of 1981.

On Wednesday, Ford Motor Co. reported a first-quarter loss of $355.4 million. Two days earlier, General Motors announced a first-quarter profit of $128.3 million, while American Motors said it lost $51 million, compared with $52.7 million in the 1981 quarter.

Chrysler, which lost $475.6 million in 1981, last showed a quarterly profit in the second quarter of 1981 — $11.6 million.

Mr. Iacocca said, "The company ended the quarter with $895 million in cash and marketable securities on hand — the highest total in Chrysler's history."

The profit amounted to $1.95 per share. Sales were up 11.5 percent, to $2.51 billion.

Harvester Obtains New Union Pact

The Associated Press

CHICAGO — Negotiators for the United Auto Workers and International Harvester Co. have agreed on the main points of a contract intended to help revive the financially ailing equipment manufacturer, a company spokesman said Thursday.

The announcement by a Harvester spokesman came more than 13 hours after talks between Harvester and the UAW had been scheduled to end. He gave no details of the proposed contract. But the Chicago Tribune cited sources as saying the proposed contract might involve the closing of several plants and the dropping of the 3-percent annual pay increase built into recent UAW-Harvester contracts.

Both sides spent three weeks in talks on a company request that the union give up $100 million in wages and benefits through September, when the current contract expires. Sources said this week that the company more recently asked for concessions amounting to $170 million through 1984.

Workers Recalled

The aim of the talks, like those held with major automakers, is to come up with a contract that will provide labor cost savings for the company and job security for the workers. Some 30,000 employees — 10,000 of whom are on indefinite layoff — are affected.

Harvester announced later Thursday that it was recalling 4,150 laid-off workers at four plants.

Harvester, the largest U.S. manufacturer of heavy farm and construction equipment, lost $1.1 billion in the last two fiscal years. Analysts say the recession, high interest rates, low commodity prices and a bitter six-month strike two years ago all contributed to the company's problems.

Harvester devised a $4.1 billion debt-restructuring plan late last year, but markets have remained severely depressed, resulting in continuing losses. The company reported a 33-percent drop in sales in the first quarter when it tallied losses of $299.4 million.

On Tuesday, Harvester announced that its bankers had agreed to modify two provisions of the plan to keep the company from defaulting. The company said it may soon ask for "very substantial alterations" in the refinancing plan.

The company asked the UAW for concessions in November, but talks broke down in January when it was reported that the company paid $6 million in bonuses to salaried employees at the same time it was asking the union to give up $100 million in wages.

U.S. Treasury Is Planning 2 New Issues

New York Times Service

WASHINGTON — The Treasury Department is to offer investors two new securities as part of its plan to borrow a record $121 billion from the public in the current budget year.

The new issues are $5.25 billion in three-year notes, to be auctioned on May 4, and $4 billion in ten-year notes, to be auctioned on May 5. The yields on both issues will be determined by the results of the bidding.

In addition to borrowing to cover the budget's $100.5-billion deficit in the fiscal year 1982, an additional $20 billion is needed to finance certain spending that, by law, is tallied outside the budget, Beryl W. Sprinkel, Under Secretary for Monetary Affairs, said Wednesday.

In announcing its quarterly financing, the Treasury listed its probable cash needs for the July-September quarter at $32 billion to $37 billion; those for the preceding period were put at $15.6 billion. In addition, the Treasury will issue tens of billions of dollars of new securities in exchange for maturing debt.

Mark E. Stalnecker, a deputy assistant secretary, said the new cash to be raised in the September quarter was expected to fall short of the record $38.4 billion in the first three months of 1981. He said that the total cash to be raised in the fiscal year 1982 was in line with earlier expectations.

Mr. Sprinkel said that he hoped that Congress would authorize promptly the sale of additional bonds — securities with a maturity of more than 10 years — so that the Treasury could resume long-term borrowing. Mr. Stalnecker said that the department hoped for $25 billion of authority.

Pay Raises for U.S. Workers Declined Sharply in Quarter

By Warren Brown
Washington Post Service

WASHINGTON — First-year pay increases for unionized workers in the United States dropped drastically in the first quarter of 1982 as more companies sought and received concessions from their employees.

The Labor Department reported Wednesday that contract settlements during the first three months of this year produced first-year increases averaging 2.2 percent compared with average first-year raises of 7.8 percent in contracts signed in 1979.

Increases over the life of the contracts negotiated this year — most of which are for 32 months — averaged 2 percent compared with 5½ percent in the agreements negotiated three years ago, according to the report by the Bureau of Labor Statistics.

The bureau said the first-quarter bargaining was dominated by the concession settlements between the United Auto Workers union and Ford Motor, and the Teamsters union and Trucking Management Inc., the bargaining arm for the nation's unionized trucking industry.

The UAW and General Motors Corp. reached a tentative agreement in March. That pact gave the company an estimated $2.5 billion in concessions in return for increased job security. But the UAW-GM agreement was ratified and signed in April, placing it outside of the scope of the bureau survey.

According to another study, produced by the Washington-based Bureau of National Affairs, the decline in monetary contract gains was accompanied by a sharp increase in layoffs and plant shutdowns.

CURRENCY RATES

Interbank exchange rates for April 29 1982, excluding bank service charges.

	$	£	D.M.	F.F.	H.L.	Gldr.	B.F.	S.F.	D.K.
Amsterdam	2.413	4.457	111.865 *	42.49 *	0.2006	——	5.877 *	133.40 *	32.71 *
Brussels (c)	44.98	79.3075	18.89675	7.2285	3.4730 *	17.0228	——	22.70	5.5645
Frankfurt	2.3475	4.1978	——	38.25 *	1.800 x	98.15 *	5.290 *	119.71 *	29.408 *
London (b)	1.80	——	4.289	10.999	2.340.90	4.6733	79.69	3.5185	14.3955
Milan	1,982.30	2,328.90	554.05	212.18	——	498.90	29.231	644.75	163.85
New York	——	1.79225	0.4276	0.1641	0.0833 *	0.2049	0.0226	0.5179	0.4278
Paris	6.1405	10.961	260.97 *	——	4.7125 x	225.15 *	13.823 *	313.50 *	76.82 *
Zurich	1.9642	3.5052	83.67 *	31.96 *	0.1597	75.11 *	4.415 *	——	24.55 *
1 ECU	1.01258	0.56775	2.38686	6.2289	1.319.45	2.64922	45.0954	1.99689	8.1032
1 SDR	1.1252	0.631461	2.651553	6.90929	N.A.	2.94015	50.0839	2.20821	9.01848

Dollar Values

$ Equiv.	Currency	Per U.S.$	$ Equiv.	Currency	Per U.S.$	$ Equiv.	Currency	Per U.S.$
1.0585	Australian $	0.9447	0.0489	Israeli shekel	20.45	0.4736	Singapore $	2.1115
0.0608	Austrian schilling	16.46	0.0042	Japanese yen	236.50	1.8489	S. African rand	0.9534
0.0286	Belgian fin. franc	48.55	3.4928	Kuwaiti dinar	0.2863	0.0814	S. Korean won	720.45
0.8175	Canadian $	1.2233	0.4314	Malay. ringgit	2.318	0.0096	Spanish peseta	104.26
0.1259	Danish krone	7.9453	0.1668	Norw. krone	5.9955	0.1715	Swedish krona	5.831
0.2195	Finnish mark	4.555	0.1188	Filip. peso	8.4175	0.0259	Taiwan $	38.68
0.0159	Greek drachma	62.90	0.0141	Port. escudo	71.144	0.0426	Thai baht	23.4142
0.1716	Hong Kong $	5.8285	0.2915	Saudi riyal	3.4305	0.2722	U.A.E. dirham	3.672
1.4695	Irish £	0.6805						

£ Sterling: 1.2178 Irish £.

(a) Commercial franc. (b) Amounts needed to buy one pound. (*) Units of 100. (x) Units of 1,000.

Upside Domino Effect

Early N.Y. Risers that will Keep *Generating Growth*

Vitality returned to the U.S. semiconductor industry while too many analysts were still belaboring hallucinatory Japanese threats and crash warnings; and the IOG fund moved accordingly into such bargains as Advanced Micro near $17, Motorola near $51 and Texas Instruments near $75. Leveraging of positions via the sale of "put" options and purchase of calls at buy-signal levels pushed gains on such positions to 40 and 50 per cent as soon as final March liquidation had been absorbed. By then IOG had begun moving progressively into shares of big systems builders such as HONEYWELL, IBM and NCR which will be users of new microchip configurations—often years ahead of Japanese designs which had caused all the bottom-area furor. The systems makers must turn in sequence to builders of "OEM" equipment—the printers, disk drives and distributed entry systems made by companies such as Centronics, Dataproducts and Storage Technology which have been phased accordingly into the IOG accumulatory process. As new networking and word processessing procedures then are added to the overall drive toward full office automation, CPT, Datapoint, NBI and Wang enter the balance—with an entire bull-market format thus having been under systematic development at a time when uninformed market commentators were still agonizing about outmoded Kondratief or Elliot wave theories. Up went the NYSE short interest to a record 94 million shares, with bears so hopelessly trapped in key makers of microcomputers, data modems and other components of the impending boom that IOG's technicians and managers were preparing for a domino-effect eruption on the upside. With the Dow on its way to 1250 in this process, IOG's strategists have been revising targets for futures-market media ranging from cotton and T-Bonds to Gold and Silver that have begun following the turnaround; and in each week's IOG Growth report you'll find ideas and projections covering the whole range of growth-trended investment and speculative media. Send the coupon for complimentary coverage.

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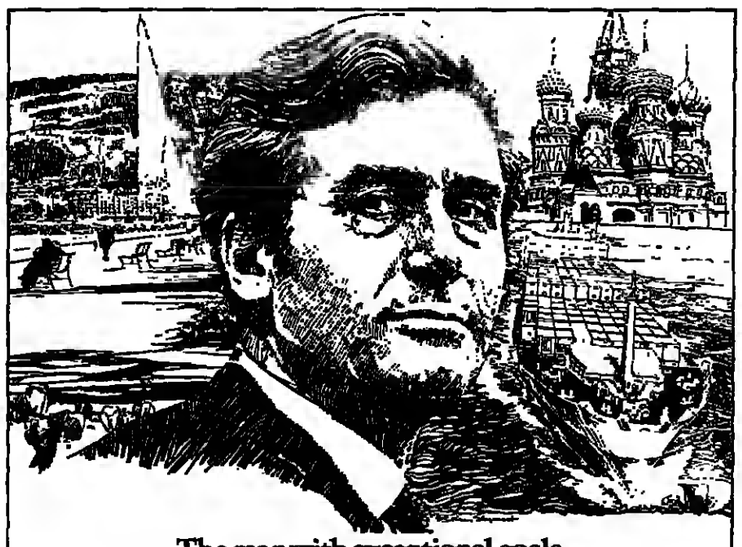

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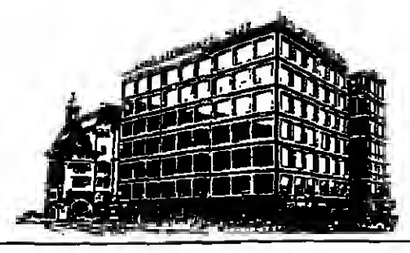

Trade Development Bank

Shown at left, the head office of Trade Development Bank, Geneva, Swiss subsidiary of the Trade Development Bank Holding Group, Luxembourg. TDB is now the sixth largest commercial bank in Switzerland.

NYSE Nationwide Trading Closing Prices April 29

Tables include the nationwide prices up to the closing on Wall Street.

(Continued from Page 12)

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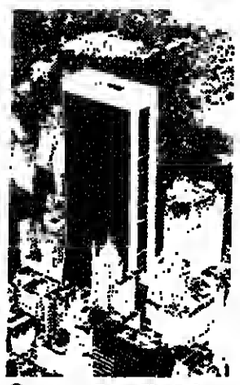
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Toronto Stocks

Closing Prices, April 28, 1982

Quotations in Canadian funds.
All quotes cents unless marked $

	High	Low	Close	Chge
3350 AMCA Int	$17¼	17	17	—
400 Abit Price	$17¼	17	17	— ¼
1600 Agnico E	5¾	5½	5½	
200 Alberta Trd A	$9¾	9¾	9¾	
6710 Alf Energy	21¢	19¢	20¢	
175 Alta Nat	3.25	3.25	3.25	+ ¼
200 Alga Cem	$5¾	5¾	5¾	
2000 Algoma St	$33¾	33¾	33¾	— ¼
300 Anders WA	21½	15½	15¾	+ ¼
344 Angus C pr	$6	6	6	
1 Apex	57¢	54¢	54¢	— 3¢
28324 BP Can	$34¼	33¾	33½	+ ¼
8201 Bank N S	23¼	21¼	21¾	+ ¼
100 Baton A	32¾	32¾	32¾	
2700 Bonanza Oil	21½	21¼	21½	+ ¼
2000 Brador Res	57¢	7¢	7¢	— 3¢
1000 Brascade	$5½	5½	5½	
1000 Bruncor	$5¾	5¾	5¾	
97480 BCRIC	35¢	34¢	35¢	
74865 BC Phone	$16¾	16¾	16¾	
1000 Cadillac	$6¾	6¾	6¾	+ ¼
200 Budd Can	5¾	5	5	+ ¼
250 CAE	$8¾	8¾	8¾	— ¼
3105 Cad Fer	$8¾	8¾	8¾	+1¼
1000 Calmfld	$4¾	4¾	4¾	
750 C Nor West	$24½	24	24½	+1¼
400 C Packrs	$29½	29½	29½	—
400 Can Trust	$21¾	21¾	21¾	— ¼
400 C Tung	$17¾	16¾	16¾	— ¼
85532 Cl Bk Com	$23¾	23¾	23¾	— ¼
47141 Can'd Ent	$13½	13½	13½	— ¼
2700 Can Nat Res	$35¾	34¾	35¾	+1
2651 CTire A	$24¼	24¼	24¼	— ¼
391 C Utilties	$24¾	24¾	24¾	— ¼
1000 Cara	$9½	9½	9½	+ ¼
225 Celanese	$26	25¾	25¾	— ¼
2500 Cherokee	39¢	37¢	39¢	
100 Con Distrb	$24¾	24¾	24¾	+ ¼
9160 CTL Bank	$14¾	14¾	14¾	— ¼
3180 CTL Bank	$4¾	4¾	4¾	— ¼
500 Conventra	$24¾	24¾	24¾	+ ¼
4400 Coscan R	$12¾	12¾	12¾	— ¼
400 Conron A	$12¾	12¾	12¾	— ¼
2100 Crolamt	17¢	17¢	17¢	+ 1¢
5300 Cdor Res	24¢	23¢	24¢	+ 1¢
23437 Dom Dry	$23¾	22¾	23¾	— ¼
4201 Denison	$23¾	22¾	23¾	— ¼
1600 Dickson A	$6	6	6	
2100 Dickson B	$5¾	5¾	5¾	
2900 Dofasco A	$31¼	31¼	31¼	— ¼
25 Dom Store	$6¾	6¾	6¾	
1000 Du Pont A	$46	46	46	— ¼
74400 Dylex L A	$16¾	16¾	16¾	
150 Echodor	$4¾	4¾	4¾	
3625 Edper Invt	$7¾	7¾	7¾	
37250 C Falcon C	$19¾	19¾	19¾	+ ¼
2000 Fibrg Nik	$3¾	3¾	3¾	
400 Fed Ind A	$4¾	4¾	4¾	
2400 G A Fed	$5¾	5¾	5¾	
5700 Gibraltar	$7	7	7	
1700 Gaghyan	$20	20	20	
215 GL Forest	$15¾	15¾	15¾	
180 Gt Pacific	$16¾	16¾	16¾	
1200 Hrding A	$8¾	8¾	8¾	+1¼
2200 Hasfax	$3¾	3¾	3¾	
79 Hayes O	$7¼	7¼	7¼	— ¼
867 H Bay Co	$22½	22½	22½	— ¼
1200 Indal	$11¾	11¾	11¾	— ¼
150 Inco	$15	15	15	
21738 Intpr Pipe	$17¾	17¼	17¼	+ ¼
235 Inv GrA	$24¾	24¾	24¾	+ ¼
600 Ivaco	$14¾	14¾	14¾	— ¼
10100 Jannock	$8¾	7¾	8¼	+ ¼
4400 Kan Kelta	$11¾	11¾	11¾	— ¼
400 Kelsey H	$14¾	14¾	14¾	— ¼
3300 Kerr Add	$14¾	14¾	14¾	— ¼
4759 Labatt A	$26¼	26	26¼	+ ¼
31380 Locana	$6¾	6¾	6¾	
22500 Mclan H X	$16¾	16¾	16¾	— ¼
34625 Loblaw Co	$27¾	27¾	27¾	— ¼
200 MICC	$6¾	6¾	6¾	— ¼
22500 Mclan H X	$16¾	16	16	+ ¼
5700 Est Mrtitc	385	335	385	+65
2015 Merland E	$5¾	5¾	5¾	— ¼
4670 Nelson A	$24¾	24¾	24¾	+ ¼
500 Nelson B	$24	24	24	+ ¼
989 Murphy	$15½	15	15½	
21587 Noranda	$15¾	15¼	15¾	
3045 Norcen	$24¾	24¾	24¾	— ¼
203835 Nva Alta	$29¾	29¾	29¾	— ¼
1300 Nwaco W	$13¾	13¾	13¾	+ ¼
12275 Nwt A	$17¾	17¾	17¾	— ¼
614 Oakwood	$14¾	14¾	14¾	— ¼
125 Oshawa A	$13¾	13¾	13¾	— ¼
4273 Pamour	47¢	47¢	47¢	
1800 Pembina	$8¼	8	8¼	+ ¼
300 Petro Can	$36	36	36	
1400 Phillips	$14¾	14¾	14¾	— ¼
2750 Pine Point	$24¾	24¾	24¾	— ¼
1000 Place G	$4¾	4¾	4¾	
5300 Placer	$13¾	13¾	13¾	— ¼
3000 Rain	$4¾	4¾	4¾	
200 Redpath	$14¾	14¾	14¾	— ¼
945 Rel Steels A	$12¼	12¼	12¼	— ¼
200 Rothmld	$10¾	10¾	10¾	— ¼
2665 Renn Pfg A	$10	10	10	— ¼
400 Rogers A	$8¾	8¾	8¾	
1000 Roman	$14¾	14¾	14¾	— ¼
100 Rothmn	$24¾	24¾	24¾	— ¼
9600 Saestre	$6¾	6¼	6¼	
2800 Scotts A	$7¾	7¾	7¾	— ¼
16214 Scot Can	$14¾	14¾	14¾	— ¼
1000 Sherritt	$9¾	9¾	9¾	— ¼
100 Slemd	$8¾	8¾	8¾	
2714 SSeara A	$12¾	12¾	12¾	— ¼
4800 Seagrm Sil	$24¾	24¾	24¾	— ¼
2585 Southrn	$9¾	9½	9½	— ¼
1100 St Brodcst	$8¾	8½	8½	— ¼
28945 Steel A	$24¾	24¾	24¾	— ¼
1824 Power Cp	$21½	21¼	21½	+ ¼
6049 Royal Bank	$21¾	21¼	21½	+ ¼

Total Sales 653,630 shares.

Canadian Indexes

April 29, 1982

	Noon	Previous Close
Montreal	284.64	284.78
Toronto	1,665.98	N.A.

Montreal: Stock Exchange Industrials Index.
Toronto: TSE 300 Index.

Montreal Stocks

Closing Prices, April 28, 1982

Quotations in Canadian funds.
All quotes cents unless marked $

	High	Low	Close	Chge
9137 Bank Mont	$21½	20½	20½	— ½
7700 Can Cmt	$ 9¼	9¼	9¼	— ¼
1296 Dom Text A	$10½	10¼	10½	
2968 Imasco Ltd	49¾	48¾	48¾	+ ¾
1824 Power Cp	$21½	21¼	21½	+ ¼
6049 Royal Bank	$21¾	21¼	21½	+ ¼

Total Sales 653,630 shares.

Floating Rate Notes

Closing prices, April 29, 1982

Banks

Issuer-Mia cpn-Mat.	Coupon	Next	Bid	Asked
Akzhl Kuwait 5½-83	15¾	8-26	99¾	100¼
Allied Irish 5¼-84	15¾	9-24	99¼	100¼
Allied Irish 5¼-87	15 2/16	7-4	97¼	99¼
Allied Irish 5¼-92	15 11/16	10-15	98	98¾
Amex Fin 82-88	15 5/16	10-22	100	100½
Andesbanken 7-84	13¾	6-4	99¾	99¾
Arab Intl Bank 6½-83	14	8-3	100	100½
Banca Serfin 7¼-86	15 11/16	10-5	96	97
Banco de la Nacion 5-83	15 11/16	7-26	98	—
Banco de la Nacion 5-86	15 7/16	9-24	97	—
Banco de la Nacion 6-87	15 5/16	10-25	95	96
Buenos Aires 7¼-86	13 11/16	6-7	98	99
Bco Ci Roma 6-87/91	15 1/16	10-28	99¾	99¾
Bco N.Desarollo 9½-87	13¾	6-11	98	98¾
Bco Nl Mexico 6¼-87	14¾	5-17	98¾	99¼
Bco Nl Mexico 5¼-92	14 1/16	8-5	95	96
Bco Pinto 6¼-85	13¼	9-8	98	99
Banco Union 7¼-83	16	10-1	99	100
Bangkok Bk 6¼-84	15¾	6-24	99¼	100
BFCE Fin 5½-89/94	15 15/16	7-15	99¾	99¾
Bk Ireland 5¼-89	15¼	5-28	99¼	99¾
Bk Montreal 5¼-90	15¾	6-18	99	99¾
Bk Montreal 5¼-91	15¾	10-29	98¾	99
Bk Scotland 5¼-92	15¾	9-23	98¾	98¾
Bk Nova Scotia 5½-93	15¾	10-29	98¾	99¼
Bk Tokyo Hdg 6½-84	13 7/16	5-18	97¾	100¼
Bk Tokyo Hdg 5¼-89	15¾	5-28	97¾	98¼
Bk Tokyo Feb'88/91	16 7/16	8-4	100	100¾
Bk Tokyo Dec'88/91	13¼	6-18	98½	98¾
Bk Tokyo Hdg 5¼-89	15 5/16	7-27	99¼	99½
Bk Tokyo Hdg 5½-93	15 11/16	10-21	99¾	100
BBL Intl 5	15½	5-20	99½	99¾
Bq Ext Algerie 5¼-84	16 7/16	9-9	100¼	100½
Bq Afrique Occ 6½-83	15¾	7-15	99¾	99¾
BUE 5¼-89	15 7/16	6-20	99¼	99¾
Bk Worms 5¼-85	14 7/16	6-17	99¾	99¾
BFCE 6½-83	15¾	10-29	99¾	100
BFCE 5¼-84	15¾	6-24	99¾	100¼
BFCE 5¼-87	16¼	7-27	99¾	99¾
BFCE 5¼-88	19	10-28	99	99¾
BNP 7-83	13¼	7-1	99¾	100¼
BNP 5¼-85	15¼	7-21	99¾	100¼
BNP 11/82/84	16 11/16	8-31	100¼	100¾
BNP 5¼ 85/88	15¾	7-29	99¾	99¾
BNP 5¼-87	15¾	9-22	99¾	99¾
BNP 5½-91	16 11/16	8-22	99¾	100
BNP 1986	13¾	6-11	99¾	99
Barclays O'seas 5-90	14 11/16	6-18	99¾	99¾
Barclay O'seas 5-95	15¾	7-30	99¾	99¾
Berpen Bank 6-89	15¼	5-28	99	99¾
Berpen Bank 5¼-88/91	15 11/16	7-15	99¾	99¾
Bilbao 1982	14 15/16	6-18	99¾	99¾
Citicorp 1984-RRN	19 9/16	4-30	99½	99¾
Citicorp 6¾	14 7/16	6-18	99¾	100¼
Citicorp undtd	15¾	7-13	99¾	100¼
Citicorp 1984-ex wt	19	6-2	99¼	99¾
Chase 5¼-93	15¾	7-30	99	99¾
Cartagena Bk 5¼-91	16	5-3	98¾	99¾
CCCE 5¼-88	16¾	8-9	99¾	99¾
CCCE 5¼-92	14 13/16	6-11	98¾	99¼
Credit Agricole 6½-84	14 7/16	6-17	99	99¾
Credit Agricole 5¼-97	15 7/16	5-28	99	99¾
CCCF 7-83	14 15/16	7-13	99¾	100
CCCF 6½-88	14 15/16	7-13	99¾	100
CCCF 5¼-91	15 11/16	7-13	99¾	99¾
Creditanst 5¼-84	13	5-26	99¾	99¾
Creditanst 5½-91/97	15¼	6-16	99½	99½
Credit Lyon 6-83	16 11/16	8-17	100¼	100¾
Credit Lyon 5¼-87	15¾	7-28	99¾	100
Credit Lyon 5¼-97	14	10-1	99¾	99¾
Credit Nat'l 5¼-88	15½	7-15	99	99¾
Credit Nat'l 5¼-94	14 11/16	9-21	98¾	98¾
DG Bank 6¼-82	14 7/16	6-17	99¾	99¾
Den Norske 6-Nov'90	16	5-3	99¾	100¼
Den Norske 6-Dec'90	15 5/16	6-17	99	99½
Den Norsk 1983	13 9/16	6-4	97	97¾
Eglobank 1989	15¼	6-24	97	97¾
Girozentrale 5¼-91	15¼	6-23	99½	99¾
Golobanken 6-88	13½	5-18	99¼	99¾
GZB 6-83	15¾	10-13	100	100¾
GZB 5½-87	14	5-5	99¼	99¾
GZB 5¼-92	14 15/16	6-8	98¾	99¼
IBJ 9½-85	13¾	6-3	99¾	100
IBJ 5¼-87	16¾	10-15	99¾	100
IBJ 5¼-88	15¾	10-13	99¾	100¼
IBJ 5¼-Nov 88	13 5/16	5-18	98¾	99
Indo-Suez 5½-85	16 5/16	7-27	100	100¾
Indo-Suez 5¼-89	14 15/16	7-13	99½	99¾
Westminster Bk 6-84	15 5/16	9-22	99¾	100¼
KOP 6½-83	15 11/16	7-26	99¾	100¼
Kleinwort Ben 5¼-91	16¾	5-17	99	99¾
Korea Ex Bk 7¼-85/88	16	10-1	99½	100
Korea Dev.Bk 7½-81	13 3/16	6-3	98½	99

Non Banks

Issuer-Mia cpn-Mat.	Coupon	Next	Bid	Asked
Asdenda 5¼-90	14 11/16	5-17	98¾	99¾
Allis 10-88	16 3/16	6-18	99	99
C.F.De Mercr.5¼-88	15 5/16	6-24	99¼	—
Bnpetrol 7-84	15¾	6-23	99¼	—
Ind. Pemex 10-86/89	16 3/16	6-19	99¾	99
Burmah 5¼-87	15 7/16	6-4	97¾	98¼
IC Industries 1991	15 5/16	7-15	99½	99¾
IRI 5¼-85	15 5/16	10-27	99¾	100¼
C. Itoh 5¼-87	15 11/16	9-20	100	100¾
Jar-Ca Indie 6½-91	14	5-5	99¼	99¾
Thailand 7-84	15	10-5	99¾	100
Malaysia 5¼-89/92	15 11/16	10-4	98¾	99¼
New Zealand 5¼-87	15 9/16	10-7	99¼	99½
Shackleton 6½-86	15¾	10-21	98	99
Sumi Heavy 5½-84	15 1/16	9-13	99	—
Sweden 5¼-89	15 5/16	9-29	98¾	99¼
Sweden Mack-91	15 11/16	7-27	98¾	99½
Satrel 5-83	16 3/16	10-8	100¼	100¾
Texas Air Lines 7-86	14½	7-14	79	81
TVO Mack-91	12 15/16	5-28	94½	96½
Offshore Min. 1986	15¼	7-21	99¼	99¾
Offshore Min. 5¼-91	13	6-2	98½	98¾
Private J.C.Asia 7-84	14 7/16	5-10	99¼	100
Pemex 7-84	14½	7-27	98¾	99¼
Pemex 6-88/91	15 11/16	10-8	96	96¾
Tubos Mexico 1989	16 3/16	7-22	97	97
Vitro 1988/91	15¾	7-21	90	95

Prices supplied by Credit Suisse-First Boston Ltd., London.

FUTURES DOW JONES

Through New York Industrial Index Fund
Prices in U.S.$

Maturity	bid/offer quotes April 29 14.00 hrs. Lt.	Business done last week low/high.
April 29	—/—	850/868
May 27	848/858	848/870
June 24	847/859	847/870

PIERSON, HELDRING & PIERSON N.V.
Herengracht 214, AMSTERDAM.
Tel. 211188 Telex 12016

European Gold Markets

April 29, 1982

	A.M.	P.M.	N.C.
London	352.80	348.00	—4.30
Zurich	351.50	349.50	—4.00
Paris (12.5 kilo)	353.51	34.84	—4.34
Luxembourg	352.00		—7.50

Official fixings for London, Paris and Luxembourg; opening and closing prices for Zurich, U.S. dollars per ounce.

Gold Options (prices in $/oz.)

Price	May	Aug.	Nov.
350	13.00-15.00	21.00-24.00	— —
370	5.00- 7.00	20.00-23.00	— —
390	1.50- 2.50	12.00-13.00	27.50-30.50
410	0.50- 1.00	7.00-10.00	18.50-21.50
430	0.25- 1.00	4.50- 6.50	11.00-14.00

Gold 350.50-357.00

Valeurs White Weld S.A.
1, Quai de Mont-Blanc
1211 Geneva 1, Switzerland
Tel. 31 02 51 - Telex 28 385

COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated

Britain

George Wimpey

Year	1981	1980
Revenue	1,100.0	1,220.0
Profits	44.2	54.9
Pre-tax profit		

Imperial Chemical Ind.

1st Quar.	1982	1981
Revenue	1,780.0	1,500.0
Profits	36.0	16.0

Marks and Spencer

Year	1982	1981
Revenue	2,200.0	1,870.0
Profits	121.8	100.6

Canada

Bell Canada

1st Quar.	1982	1981
Revenue	2,41.6	1,689.0
Profits	159.5	117.8

Ford of Canada

1st Quar.	1982	1981
Revenue	1,490.0	1,420.0
Profits	Loss42.7	54.8
	1981	1980

France

Pernod-Ricard

Year	1981	1980
Profits	142.97	85.86

United States

American Natural Resources

1st Quar.	1982	1981
Revenue	1,060.0	889.1
Profits	79.9	77.8
Per Share	3.38	3.34
12 Months	1982	1981
Revenue	3,070.0	2,540.0
Profits	163.8	136.8
Per Share	6.97	5.90

Chrysler

1st Quar.	1982	1981
Revenue	2,510.0	2,250.0
Profits	149.9	Loss389.3
Per Share	1.95	—

Dart and Kraft

1st Quar.	1982	1981
Revenue	2,440.0	2,400.0
Profits	96.9	103.4
Per Share	1.77	1.90

Eastman Kodak

1st Quar.	1982	1981
Revenue	2,250.0	2,310.0
Profits	181.3	249.1
Per Share	1.12	1.54

Johnson and Johnson

1st Quar.	1982	1981
Revenue	1,490.0	1,360.0
Profits	155.7	121.3
Per Share	0.83	0.65

McGraw-Edison

1st Quar.	1982	1981
Revenue	554.0	565.9
Profits	10.1	21.1
Per Share	0.60	1.29

Pepsico

1st Quar.	1982	1981
Revenue	1,540.0	1,460.0
Profits	68.1	52.8
Per Share	0.65	0.58

Tenneco

1st Quar.	1982	1981
Profits	129.0	194.0
Per Share	0.88	1.51

United Airlines

1st Quar.	1982	1981
Revenue	1,060.0	1,090.0
Profits	—	—
Per Share	—	—

United Brands

3rd Quar.	1982	1981
Revenue	955.9	964.2
Profits	3.06	3.33
Per Share	0.24	0.26
9 Months	1982	1981
Revenue	2,880.0	2,980.0
Profits	Loss14.98	9.94
Per Share	—	0.75

U.S. Aide's IBM Links Are Questioned Again

From Agency Dispatches

WASHINGTON — Well-informed government and private sources have added fuel to charges that Assistant Attorney General William F. Baxter should have disassociated himself from the International Business Machines antitrust case.

The sources said Wednesday that in 1978 Mr. Baxter, then a law professor at Stanford University, was one of three antitrust experts whom IBM urged the Justice Department to name to a panel to settle the government's antitrust suit against the computer maker. An IBM spokesman denied Thursday that the company had made such a recommendation.

In January, as a top Justice Department official, Mr. Baxter announced the dismissal of the IBM suit, saying it was without merit.

Some critics of IBM said the latest charges are a further indicatioo of a relationship between IBM and Mr. Baxter during the 1970s that should have caused Mr. Baxter to step aside from the IBM case once he joined the Justice Department.

Several months ago, the New York judge who was hearing the suit at the time of its dismissal disclosed that Mr. Baxter had done private consulting work for a law firm serving IBM and had failed to disclose this work to congressioual committees. Mr. Baxter said the work was short-term and denied that it represented a conflict of interest in his later role in the case.

Sources familiar with the case indicated that in 1978 IBM sent the Justice Department a writteo proposal for a blue-ribboo panel composed of Mr. Baxter; Thomas Kauper, a former assistant attorney geoeral, aod Heodrik Houthakker, an economist who had advised the government on the IBM case from 1971 to 1977.

The sources said the panel was tn review the case and come up with a recommendation for a settlement that would end the antitrust suit, which was filed in 1969. Under IBM's proposal, the panel's decision would have been binding, they said.

"It was the assumption of the people at Justice that Baxter was clearly IBM's choice" for the panel, as the other twn had connections with the department, one source said. Both IBM and Mr. Baxter said earlier this week that he never knew about the proposal because it was nnt taken seriously by the department.

Justice department officials said the latest alleged link between Mr. Baxter and IBM would oot jeopardize the dismissal nf the antitrust suit.

William F. Baxter

Chinese Output Rose 4.5% in '81

Reuters

PEKING — China's industrial and farm production grew 4.5 percent last year, the government said Thursday. Last December, Premier Zhao Ziyang estimated 1981's production growth at 3 percent.

The state statistical bureau said in its annual bulletin that China's trade deficit in 1981 narrowed to 10 million yuan ($5.5 million) from nearly 2.8 billion yuan in 1980. Exports rose 18 percent in real, or inflation-adjusted, terms to 36.76 billion yuan, and imports grew 5 percent to 36.77 billion yuan.

But the bulletin said that productivity dropped 1.8 percent last year and that about 27.1 percent of the country's industrial enterprises had losses. "The economic results of industrial production as a whole were relatively poor," it said, adding that the quality of Chinese goods was still far from adequate.

Heavy industrial ootput dropped, while light industry showed an impressive increase, the bulletin said.

EEC Commission Proposes Extending Steel Output Cuts

Reuters

BRUSSELS — Cuts in the European Economic Community's steel production must be extended because of plunging demand, the EEC Commission has decided.

A commission proposal for an 18-month extension of its power to impose the cuts was formally submitted to EEC governments Thursday, EEC officials said. Without an extension, the authority would expire June 30.

The proposal, drafted by Industry Commissioner Etienne Davignon, says that steel demand in the EEC this year "will be below 1981 levels, which were already extremely low." The document, adopted Wednesday, adds: "Export markets are depressed, and EEC steel exports in 1982 will be markedly lower than in 1981."

Apparently in a gestnre toward EEC members who see an 18-month extension as too long, the commission said the measures could be ended earlier if circumstances warrant.

The proposal is generally gloomy about prospects for the EEC steel industry, which has lost about 30 percent of its work force over the past seven years and is trying to regain competitiveness through a restructuring.

Diplomats from EEC countries were to review the proposal at meetings in Brussels Thursday and Friday. The proposal is to be submitted to EEC industry ministers Tuesday.

The emergency cuts, first imposed in October, 1980, are designed to avert disorder in the EEC steel market at a time when slumps in such major steel-using industries as construction and shipbuilding have threatened the existence of several companies.

The current restructuring program, involving all the major EEC steel industries, is designed to restore viability by 1985 by modernizing plants, shedding jobs and cutting capacity.

"There is still an enormous overcapacity in the EEC steel industry compared to the level of demand for steel," the commission proposal says. Commission officials say the EEC steel industry is working at 60 percent of capacity.

High Interest Rates Divide Washington and Its Allies

(Continued from Page 1)

and between November and early April, it appreciated 10 percent. In February of this year, the mark rose 1.6 percent one week and fell 1.4 percent the next then climbed 1.6 percent the following week — fluctuations that mean havoc for importers and exporters.

But as Murray L. Weidenbaum, chairman of President Reagan's Council nf Economic Advisers, told the Atlantic Institute seminar, the United States does not believe that interventioo in the foreign exchange market is effective. The administration believes that the market, left to its own, will find the right rate.

This view runs counter to other expert opinion. Experts of every nationality agree that the exchange market gyrates from one extreme to its opposite, overshooting oo the upside when a currency appreciates and overshooting just as dramatically on the downside when it depreciates. The "equilibrium rate" dear to theoreticians remains a theory.

But Washington's insistence that its economic policies are correct and that its noninterventionist foreign exchange poliey is wisest leaves no room for assuaging Europe's pain.

If interest rates do fall by the June summit, there will be no problem. But if not, and Washington maintains its refusal to intervene in the foreign exchange market, Eurnpe will be forced to find its own solutions.

As Mr. Dini and Ulrich Steger, deputy chairman of the Bundestag's committee for ecooomic affairs, both warned Wednesday, the immediate danger is that Europe will move to insulate itself from the dollar's vicissitudes by erecting controls nn capital flows and, ultimately, other protectionist measures.

"We will have an unhappy summit if the United States says it is going to stick to its current policy of high interest rates and nonintervention in the foreign exchange market," Mr. Steger warned, adding that it could lead to Europe's "decoupling from the impacts of U.S. economic policy."

But, insisting that he is an optimist, Mr. Steger said he was confident that "American pragmatism will win out over ideology," and that a confrontation between Europe and America will be avoided.

Future Trading on Comex Delayed

New York Times Service

WASHINGTON — A temporary restraining order issued by a federal judge has thwarted the Commodity Exchange of New York's plans to begin trading futures contracts based on Standard & Poor's Composite Index of 500 stocks on Thursday.

Comex had scheduled the start of trading in its new contract, which it calls the Comex 500, after the Commodities Futures Trading Commission granted permission Wednesday. But shortly afterwards, Judge Milton Pollack of U.S. District Court in New York issued the restraining order on a copyright suit by S&P, thus delaying trading of the contracts pending a hearing scheduled for next Wednesday.

Samuel D. Kahan, an economist and financial futures analyst at Smith Barney, Harris Upham & Co., said the order "wasn't all that unanticipated." He added: "Standard & Poor's has a vested interest in the proprietary use of its index. It's more a legal decisioo than an economic one."

Standard & Poor's, a unit of McGraw-Hill, already has an agreement with the Chicago Mercantile Exchange granting it the exclusive right to use its name and index in the trading of futures contracts. Under the agreemeot, S&P will be paid $300,000 in the initial stage of the program.

Stock-index futures contracts allow a purchaser in speculate on the level of the index over a fixed period of time. The value nf such a contract rises or falls as the index fluctuates, and speculators or hedgers can profit by correctly guessing its direction.

The Chicago Mercantile Exchange began trading stock-index futures last week, after obtaining authorization from the futures commissioo. Comex had previously been denied a similar licensing agreement by S&P.

The S&P lawsuit is one nf several such actions in the growing furor over stock-index futures. Last week, a judge dismissed a suit by the Kansas City Board nf Trade to bar the commission from approving futures on stock indexes that might compete with Kansas City's Value Line Stock Index of nearly 1,700 issues.

The futures commissioo is scheduled to consider on May 11 a request by the Chicago Board of Trade, the largest of the futures exchanges, to trade in stock-index futures. This proposal, however, is being challenged in court by Dow Jones & Co., which contends that the exchange's contract is based on the Dow Jones stock indexes.

Dow Jones Will Cease Publishing Book Digest

The Associated Press

NEW YORK — Dow Jones & Co. has announced that it will cease publishing Book Digest after the June issue.

The company said Wednesday that it had ont been able to sell the eight-year-old publication, which was acquired from Book Digest Co. in 1978 and has been operating at a loss. The magazine publishes condensed versions of best-selling books and has a monthly circulation of 400,000.

U.S. Companies Concerned For Argentine Subsidiaries

(Continued from Page 13)

loans to Argentina, which Ricardo Fox, the economic and commercial consul in New York for Argentina, estimated at $5 billion. The British government froze Argentine assets in Britain.

In response, Argentine companies have not been repaying their British loans directly, but have been making their loan payments to an an interest-bearing, dollar-denominated escrow account established at Argentina's central bank, the Banco de la Nacion.

The central bank has retained two U.S. lawyers, one a former Treasury Department official who helped administer the seizure of Iranian assets two years ago, to help with the financial problems arising from Britain's freeze and the implications for Argentina's debts throughout the world.

"We've been asked by the central bank to provide them with legal advice concerning their international financial obligations and their continuing program to meet them," said Richard J. Davis, one of the two lawyers from the New York firm of Weil, Gotshal & Manges.

Along with several other lawyers who handled the litigation arising out of the Iranian crisis, Mr. Davis suggested that Weil, Gotshal's principal role on the Argentine bank's behalf would be to reassure U.S. banks with outstanding loans to Argentina. These banks are worried about the effect of the British freeze and the cost on Argentina's already weak economy of waging war.

So far, no U.S. banks have reported that any loans are in default, and for the most part, the more than 200 U.S. businesses in Argentina, including Exxon, Standard Oil (Indiana), IBM and Coca-Cola, expect the dispute to be resolved without upsetting their businesses.

Ford Motor, which has the largest presence in Argentina and is the second-largest company there in terms of sales, has not altered its business practices but is monitoring the situation closely.

"We are on the phone with them practically every day but no one has expressed the feeling that there is any anti-American sentiment," said John Tome, a Ford spokesman.

The only action the Argentine government has taken that directly affects U.S. companies was the imposition last week of some exchange controls. In the past, U.S. companies automatically transferred money from their account in Argentina to the United States or elsewhere.

Under the controls, however, a company has to go to the stock exchange and buy a peso-denominated bond for the amount that it plans to transfer abroad, said Mr. Fox. The bonds are then transferred and either sold by the company or held.

"The problem oow is that if you try and cash the bond there is a much bigger discount," the Latin American banking specialist said. "Before they were very secure, but oow if the government of Argentina goes down the drain, well then, you know it's oot the next best thing to dollars."

All these securities having been sold, this announcement appears as a matter of record only.

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Barclays Bank Group — Citicorp International Group
County Bank Limited — Crédit Lyonnais
Daiwa Europe Limited — Dresdner Bank Aktiengesellschaft
Merrill Lynch International & Co. — Samuel Montagu & Co. Limited
Morgan Stanley International — Orion Royal Bank Limited

Wood Gundy Limited

Algemene Bank Nederland N.V. — Allied Irish Banks Limited — Bank of America International Limited
Bank Brussel Lambert N.V. — Bank of Tokyo International Limited — Banque Française du Commerce Extérieur
Banque Générale du Luxembourg S.A. — Banque Internationale à Luxembourg S.A.
Banque de Neuflize, Schlumberger, Mallet — Banque de l'Union Européenne — Baring Brothers & Co., Limited
Bayerische Vereinsbank Aktiengesellschaft — Berliner Handels- und Frankfurter Bank — Cazenove & Co. — Chase Manhattan Limited
CIBC Limited — Continental Illinois Limited — Crédit Commercial de France — Creditanstalt-Bankverein
Effectenbank-Warburg Aktiengesellschaft — European Banking Company Limited — Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft
Hambros Bank Limited — Hill Samuel & Co. Limited — The Hongkong Bank Group — IBJ International Limited
Kidder, Peabody International Limited — Kleinwort, Benson Limited — Kredietbank S.A. Luxembourgeoise
Lazard Brothers & Co., Ltd. — Lazard Frères et Cie — Lehman Brothers Kuhn Loeb International, Inc. — LTCB International Limited
Manufacturers Hanover Limited — L. Messel & Co. — Morgan Grenfell & Co. Limited — Morgan Guaranty Ltd
The Nikko Securities Co., (Europe) Ltd. — Nomura International Limited — Norddeutsche Landesbank Girozentrale
Scandinavian Bank Limited — Simon & Coates — Société Générale de Banque S.A.
Strauss, Turnbull & Co. — Sumitomo Finance International — Swiss Bank Corporation International Limited
Union Bank of Switzerland (Securities) Limited — Vereins- und Westbank Aktiengesellschaft — Warburg Paribas Becker A. G. Becker
Westdeutsche Landesbank Girozentrale — Williams & Glyn's Bank Limited — Yamaichi International (Europe) Limited

These securities have been sold outside the United States of America and Japan. This announcement appears as a matter of record only.

NEW ISSUE — 28th April, 1982

Kingdom of Denmark

Japanese Yen 15,000,000,000

8¼ per cent. Bonds due 1st May, 1992

The Nomura Securities Co., Ltd.

Algemene Bank Nederland N.V. — Bank of Tokyo International Limited
Banque Nationale de Paris — Crédit Commercial de France
Crédit Lyonnais — Credit Suisse First Boston Limited
Daiwa Europe Limited — IBJ International Limited
Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.) — Lehman Brothers Kuhn Loeb International, Inc.
LTCB International Limited — Merrill Lynch International & Co.
Morgan Guaranty Ltd — The Nikko Securities Co., (Europe) Ltd.
Smith Barney, Harris Upham & Co. Incorporated — Société Générale de Banque S.A.
Swiss Bank Corporation International Limited — S. G. Warburg & Co. Ltd.
Westdeutsche Landesbank Girozentrale — Yamaichi International (Europe) Limited
Copenhagen Handelsbank A/S — Den Danske Bank af 1871 Aktieselskab
Privatbanken A/S — R. Henriques jr.

Amro International Limited — Arab Banking Corporation (ABC) — Associated Japanese Bank (International) Limited
Bache Halsey Stuart Shields Incorporated — Julius Baer International Limited — Bank of America International Limited
Banque Arabe et Internationale d'Investissement (B.A.I.I.) — Banque Française du Commerce Extérieur
Banque Générale du Luxembourg S.A. — Banque Indosuez — Banque de Paris et des Pays-Bas — Banque de l'Union Européenne
Banque Worms — Barclays Bank Group — Baring Brothers & Co., Limited — Bayerische Vereinsbank Aktiengesellschaft
Berliner Handels- und Frankfurter Bank — Caisse des Dépôts et Consignations — Chase Manhattan Limited — Chemical Bank International Group
Christiania Bank og Kreditkasse — Citicorp International Group — Commerzbank Aktiengesellschaft — County Bank Limited — Creditanstalt-Bankverein
Crédit Industriel et Commercial — Dai-Ichi Kangyo International Limited — Daiwa Bank (Capital Management) Ltd.
Deutsche Girozentrale -Deutsche Kommunalbank- — DG Bank Deutsche Genossenschaftsbank — Dillon, Read Overseas Corporation
Dominion Securities Ames Ltd. — Dresdner Bank Aktiengesellschaft — European Banking Company Limited — Robert Fleming & Co. Limited — Fuji International Finance Limited
Girozentrale und Bank der Österreichischen Sparkassen Aktiengesellschaft — Goldman Sachs International Corp. — Hambros Bank Limited
Hessische Landesbank -Girozentrale- — Hill Samuel & Co. Limited — The Hongkong Bank Group — Kidder, Peabody International Limited — Kleinwort, Benson Limited
Kredietbank S.A. Luxembourgeoise — Kuwait International Investment Co. S.A.K. — Kuwait Investment Company (S.A.K.)
Lloyds Bank International Limited — Manufacturers Hanover Limited — Mitsubishi Bank (Europe) S.A. — Mitsui Finance Europe Limited
Samuel Montagu & Co. Limited — Morgan Grenfell & Co. Limited — Morgan Stanley International — National Bank of Abu Dhabi
New Japan Securities Europe Limited — Nippon Credit International (HK) Ltd. — Nippon European Bank S.A.
Nippon Kangyo Kakumaru (Europe) Limited — Nomura International (Hong Kong) Ltd. — Okasan International (Europe) Limited
Orion Royal Bank Limited — Osakaya Securities Co., Ltd. — Österreichische Länderbank — Pierson, Heldring & Pierson N.V. — Postipankki
Salomon Brothers International — Sanwa Bank (Underwriters) Limited — Sanyo International Ltd. — J. Henry Schroder Wagg & Co. Limited
Singapore Nomura Merchant Banking Limited — Skandinaviska Enskilda Banken — Société Générale — Sumitomo Finance International
Sumitomo Trust International Limited — Svenska Handelsbanken — Taiyo Kobe Bank (Luxembourg) S.A. — Tokai Kyowa Morgan Grenfell Limited
Vereins- und Westbank — Wako International (Europe) Limited — Wood Gundy Limited — Yamatane Securities Co., Ltd.

Amsterdam

	Close	Prev.
ABN	302.00	302.00
ACF Holding	81.00	81.00
AKZO	29.60	30.00
Albert Heijn	79.00	78.50
AMEV	87.50	88.80
Amrobank	54.50	54.80
A-Dam Rub	3.90	3.40
Bastogne	51.40	51.70
BVG	147.50	146.00
Buehrmann T	46.60	46.70
Caland Hldg	34.50	33.50
Elsevier	147.30	141.80
Ennia	128.50	128.00
Fokker	32.30	34.00
Gist Brocades	74.90	75.10
Heineken	38.60	38.90
H.V.A.	45.50	44.70
Hoogovens	17.20	17.30
K.L.M.	185.50	187.00
Naarden	26.40	26.10
Nat. Nedser	117.30	116.90
Nedsloyd	124.50	122.70
Oce Vander G	110.00	114.00
OCE-N.	8.80	8.70
Pakhoed	44.60	44.70
Philips	24.90	24.10
Robeco	211.20	211.00
Rodamco	122.50	122.50
Rolinco	210.20	210.20
Rorento	149.60	149.30
Royal Dutch	92.80	92.80
Subr	28.70	27.50
Unilever	157.80	157.60
Van Ommer	25.80	25.90
VMF-Stork	47.00	47.00
VNU	59.00	58.50

Amsterdam Index : 93.60
Previous : 94.88

Brussels

Agfa-Gevaert	1.820	1.830
Arbed	1.398	1.410
Bekaert	1.860	1.840
Cockerill	191	191
EBES	1.960	1.975
GB-Inno-BM	2.550	2.540
GBL (Bjomb)	1.332	1.324
Kredietbank	3.275	3.410
Kredietbank	4.420	4.500
Pennaflo	4.655	4.650
Soc. Generale	3.854	3.870
Sofina	3.825	3.820
Solvay	1.980	1.935
Traction Elec	1.795	2.720
Wagon-Lits	2.870	2.120

Bourse Index : 199.16
Previous : 199.52

Frankfurt

AEG	43.70	42.30
Allianz Vers.	476.50	476.50
BASF	135.40	135.70
Bayer	125.50	125.40
Bayer Hypo	212.50	213.00
Bayer Verein	300.00	297.50
BMW	256.00	258.50
Commerzbank	149.00	148.50
Cont. Gummi	55.90	55.80
Daimler	287.00	286.50
Degussa	208.10	210.00
Demag	135.10	135.00
Dt.Babcock	202.50	204.00
Deutsche Bk	284.70	284.90
Dt. Schatte	179.50	180.00
Dresdner Bk	164.50	164.00
GHH	184.00	183.50
Hoesch	67.50	68.50
Hoechst	260.00	259.50
Hoechst	125.50	125.50
Hoesch	25.30	24.80
Holzmann	392.00	397.00
Horten	119.50	119.50
Kali + Salz	172.00	171.50
Karstadt	189.50	188.50
Kaufhof	157.80	157.50
KHD	174.50	174.00
Kloeckner	60.20	60.00
Krupp	59.00	59.50
Linde	284.50	281.50
Lufthansa	69.50	70.50
MAN	169.00	168.50
Mannesman	149.30	148.80
Metallgesell.	214.00	214.00
Muench. Ruck.	457.50	458.00
Preussag	244.00	243.50
Ruetgerswk	337.00	336.00
RWE new	168.20	169.30
Schering	277.50	277.00
Siemens	219.70	220.50
Thyssen	84.60	84.00
Varta	172.70	174.00
Veba	182.50	182.20
VEW	127.50	127.00
Volkswagen	146.60	147.30

Commerzbank Index : 716.80
Previous : 717.40

Hong Kong

Cheung Kong	17.00	N.A.
China Light	14.50	14.10
Cross Harbor	10.50	10.70
Hang Seng Bk	91.00	91.50
HK Electric	4.70	4.50
HK Hotels	42.50	43.00
HK Land	7.30	7.30
HK Shanghai	N.A.	N.A.
HK Tel	22.50	21.40
HK Wharf	N.O.	5.10
Hutch Wamp	16.60	16.60
Jardine Math	18.00	11.10
Jardine Sec	14.60	13.40
New World	4.30	4.30
Shaw Bros	19.50	20.00
Sino Property	7.30	7.10
Sime Darby	4.20	4.30
Stelux	3.60	3.25
Swire Pacific	N.O.	2.80
Swire Prpty	1.70	1.65
Wheelock	4.25	4.25
Wheel Mar	5.20	5.10
Winsor	3.05	3.05
World Int	2.925	2.875

Hang Seng Index : 1,362.09
Previous : 1,359.65

London

AA Corp	98%	9.12
Allied Brew	86½	0.85
AngloAm Gld	N.A.	0.41½
Babcock-Wil	1.11	1.10

Other Stock Markets

April 29, 1982
(Closing prices in local currencies)

	Close	Prev.
Barclays Bk	4.46	4.46
Bass	2.27	4.60
BAT Ind.	4.68	4.60
Beecham Gp	2.58	2.57
BICC	1.10	1.20
Blue Circle	2.10	2.10
BOC Int'l	1.60	1.62
Boots	2.27	2.27
Bowater	2.28	2.27
BP	3.20	3.28
Brit.Home St	1.62	1.59
Burmah	1.50	1.49
Cadbury Sc.	1.84	1.84
Charter Gold	2.11	2.13
Courts Potors	0.65½	0.64½
Cons.Gold Fds	3.89	3.87
Courtaulds	0.85	0.86
Delgety	3.14	3.13
Du Beers	53.90	3.95
Distillers	1.76	1.74
Drietontein	818½	19½
Dunlop	0.74	0.73
Fisons	3.23	3.20
Free St Ged	21¾	21¾
GEC	8.52	8.41
GKN	1.72	1.73
Glaxo	6.23	6.27
Grd Met Hot	3.10	2.05
Guinness	0.83	0.82
GUS	4.88	4.91
Hanson Trust	1.54	1.54
Hawker-Sidd	3.36	3.35
ICI	3.16	3.20
ICL	2.52	2.53
Imps	0.98	0.98½
Lloyds	4.06	4.06
Lonrho	0.68	0.70
Lucas	1.86	1.85
Marks-Spenc	1.32	1.40
Metal Box	1.58	1.56
Midland Bk	3.28	3.21
Nat West Bk	4.18	4.20
Plikington	1.40	2.48
Plessey	3.98	3.83
Randfontein	$44 80	45.00
Rank Org.	1.30	1.28
Reed	2.64	2.64
Royal Dutch	28.03	19.98
RTZ	4.49	4.54
Shell	4.14	4.16
Stand Charter	6.12	6.87
Tate & Lyle	2.88	1.46
Tesco Stores	2.38	2.36
Th.Tilling	1.63	1.63
Thorn TAI	4.30	4.28
Trafalgar H	2.30	2.30
TrustHouseF	1.36	1.34
Tube Invest.	1.52	1.50
Ultramar	4.43	4.43
Unilever	6.11	6.17
United Biscuits	1.11	1.17
Vickers	1.60	1.59
War Loan 3½	N.A.	0.27½
W. Deep	22¾	23¾
W. Holding	23½	24½
Woolworth	0.46½	0.44½
ZCI	N.A.	0.17

F.T. 30 Index : 582.80
Previous : 575.30

Milan

	Close	Prev.
Bca Commerc	36.250	36.250
Bastogi	169.00	169.50
Centrale	4,710.00	4,760.00
Credito Ital	4,405.00	4,420.00
Fiat	1,778.00	1,769.00
Finsider	40.00	39.00
Generali	140,500	141,700
IFI	3,740.00	3,798.00
Italcementi	35,900	36,400
La Rinascente	382.00	388.50
Mediobanca	71,550	70,450
Montedison	124.50	125.50
Olivetti	2,640.00	2,701.00
Pirelli	2,560.00	2,580.00
Snia Viscosa	687.00	691.00
Standa	2,340.00	2,385.00

ACI Index : 191.69
Previous : 192.38

Paris

Air Liquide	484.00	485.00
Aquitaine Afr.	165.00	165.00
Av.Dassault	549.00	540.20
Bancaire	309.50	305.00
Bic	495.50	500.00
Bouygues	141.00	738.00
BSN-GD	1,460.00	1,440.00
Carrefour	1,679.00	1,695.00
Club Mediter	595.00	597.00
Cofimep	119.00	119.70
Creusot Loire	91.10	84.80
Dumez	1,099.00	1,080.00
Eaux (C Gle)	234.00	235.70
Elf-Aquitaine	127.00	129.30
Europe 1	555.00	562.00
Hachette	420.00	430.00
Imetal	73.00	69.70
Lafarge Coa	274.00	270.00
Legrand	1,450.00	1,450.00
Machines Bull	31.50	31.50
Matra	1,302	1,193
Michelin	822.00	795.00
MM Perrier	80.80	80.00
Moet Henn	691.00	692.00
Moulinex	60.50	0.56
Nord-Est	43.50	44.00
Occidentale	370.00	369.90
Oreal (L')	649.00	939.00
Pernod Ric	274.00	262.00
Petroles(Fse)	124.50	127.00
Peugeot	188.00	185.00
Poclain	153.00	159.80
Printemps	171.50	167.00
Radiotechn.	220.20	221.00
Redoute	981.00	975.00
Roussel Uclaf	N.O.	
Sacilor	5.10	5.10
Skis Rossignol	532.00	540.00
Sour Perrier	178.30	169.80
Telemecan	795.00	790.00
Thomson CSF	174.00	179.00
Usinor	99.20	99.50

	Close	Prev.
UTA	160.00	165.00
Valeo	240.00	240.00

Aperf Index : 112.16
Previous : 112.13

Singapore

Boustead	2.21	2.22
Cold Storage	2.88	2.84
DBS	8.15	8.10
FraserNeave	6.50	6.40
How Par Bros	3.02	3.02
Inchcape	2.12	2.12
Keppel Shpb	4.18	N.T.
Malay Banking	6.35	6.35
OCBC	12.50	12.60
OUB	5.65	5.65
Sembawang	3.18	3.18
Sime Darby	2.01	2.00
SI Trading	9.65	9.70
U Engineers	2.48	2.48
UOB	4.38	4.30

Fraser Ind. Index : 4,281.96
Previous : 4,283.73

Sydney

ACI	1.58	1.50
AMI	2.70	2.70
ANZ Bk	4.55	4.55
Bk Sth Wales	2.74	2.75
Blue Metal	1.28	1.26
Boral	2.70	2.60
Bougainville	1.33	1.31
Bromides	2.15	2.15
Broken Hill P	1.92	1.92
Coles	2.16	2.15
CSR	2.35	2.35
Comalco	1.72	1.73
CRA	2.93	2.92
Elder Smith	3.18	3.18

	Close	Prev
EZ Ind.	2.45	2.40
Hooker	1.01	1.00
Masolian	2.32	2.30
MIM Hlds	3.18	3.20
Myer Emp	1.37	1.40
Oakbridge	1.26	1.25
Pko Wallst	4.98	4.85
Poseidon	1.80	1.80
Ranison Gold	2.15	2.75
Robe River	1.05	1.05
Santos	5.14	5.22
Seltan	0.82	0.85
Southland	0.80	0.85
Woodside Petl	0.97	0.95
Wormald	2.50	2.47

All ordinaries Index : 965.70
Previous : 968.30

Zurich

Alusuisse	615	620
Bk Leu	3,500	3,500
Br Boveri	1,800	1,800
Brunnia	N.A.	N.A.
Ciba Geigy	1,290	1,290
Cr Suisse	1,720	1,740
Elektrowatt	2,250	2,300
Fischer	440	440
Hoff-Roche B	5,950	5,900
Interfood	5,750	5,800
Jelmoli	1,280	1,280
Landis Gyr	850	840
Nestle	2,305	2,300
Sandoz	4,050	4,100
SBG	294	294
Schindler	1,500	1,500
Sulzer	1,850	1,850
Swissair	724	724
UBS	2,930	2,930
Winterthur	2,400	2,400
Zurich Ins.	15,600	15,600

SBC Index : 286.80
Previous : 282.98

Market Closed

Financial markets in Japan were closed Thursday, a public holiday marking the Emperor's birthday.

AMEX Nationwide Trading Closing Prices April 29

Tables include the nationwide prices up to the closing on Wall Street.

12 Month High	Low	Stock	Div.	In	Yld.	P/E	Sls. 100s.	High	Low	Close Quot.	Chge Close
10½	4¾	AAV		.32	2.4	4	10	9¾	8¾	9	— ¼
15¼	7¼	ABA				18	13	10¾	10½	10½	— ¼
7⅜	3	AIC Pn		.12b	3.8	0	6	3¼	3¼	3¼	
3¼	2⅜	ATI				29	365	2¾	2⅝	2⅝	— ⅛
22	8½	AZL					3	12¼	11	12	+ ¼
16	5	AZL	pf	.40	6.2		252	7¾	7¾	7¾	
5¼	3½	Action					3	3¾	3¾	3¾	— ⅛
21⅝	6¾	Action		.20b	2.8	34	1	7¼	7¼	7¼	+ ⅛
4¾	1½	Acton		.nil			1	1¾	1¾	1¾	
32¾	3¾	Adm Rs				28	237	3¾	3¾	3¾	
38⅝	17⅜	AdRusl		.14		17	9	24½	23¾	23¾	— 1¼
45	14½	Adobe		.20	1.1	12	224	17¾	16¾	16¾	+ ⅛
5¾	3¾	AdvCmp					25	5¾	5¾	5¾	
59¼	22¼	AeroFl		.75	2.1	6	4	36½	35¼	35½	+ ¼
29½	7⅜	Aerfix				12	110	12	11⅝	12	
7	2¼	Aeronca					1	3¼	3¼	3¼	
14½	3¾	Aflexp		.12e	.9	7	10	13¾	13¼	13¾	
32¾	23¾	AfilPr		.84	3.4	9	15	24½	24½	24½	— ¼
7	3	Amsia				16	29	3¾	3¾	3¾	
16¾	7¼	AirEsp		.20e	2.7	8	4	7½	7¼	7¼	+ ⅛
15¾	4¾	AlpAir		.24	4.2	5	215	5¾	5¾	5¾	
12⅝	5¼	AlphaA			1.1	16	15	6¾	6¾	6¾	
24¾	10½	Alpha		.10	1.8	244	2944	25½	25½	25½	
5¼	1¼	Altai					32	11-16	11-16	11-16	+ 1-16
3¼	1¼	Altex		n		40	170	2¾	2¾	2¾	+ ⅛
4	1½	Altz		.03wt			13	2-16	2-16	2-16	
32½	25	Alza		pf2.75	14.		21500	26	26	26	— 1
46	16½	Amdhl		.40	1.9	18	588	21	20¾	20¾	— ¼
18¾	10½	Amed		n .12	4.4	5	1	12¾	11¾	12	
15⅞	6¾	AmBlt		.68			3	11¾	11¾	11¾	
21½	16¾	ACmnt		.48	2.9	5	1	17¼	17¼	17¼	
14¾	5¾	AExp					123	14	13¾	13¾	— ⅛
12¾	5¾	Alsrol		n			14	7¾	7¾	7¾	+ ⅛
12¾	6	AMdsk		.52e	5.4	4	21	9¾	9¾	9¾	
12¾	9¼	AMetB		.52	5.7	6	4	9¾	9¾	9¾	
24¾	12¾	AMetB					331	13¾	13¾	13¾	— ⅛
21⅛	10	AMetIn		.32	1.2	16	111	11¾	11¾	11¾	
43¼	41½	AmPetl		.280	3.2	6	27	41½	41½	41½	+ ⅛
7	2¾	APlan					2	3¾	3¾	3¾	
17	1½	APrec		.32	3.6	5	4	9	8¾	9	+ ⅛
3¾	1¼	Amerc		n			4	2¾	2¾	2¾	
9	4¾	AmRity					9	5¾	5¾	5¾	
10	3¾	Amsco		.35f	7.6	27	1	4¾	4¾	4¾	
16	10¾	Amfeed		.16	2.9	4		16¾	16¾	16¾	
25¾	5¾	AndJcb		.16d	1.0	33		15¾	15¾	15¾	
5¾	2¾	Andrea		.57	2.8	7		3¾	3¾	3¾	
12	4	Andrsn					11	4¾	4¾	4¾	
23¾	7¾	Angelfd					28	8¾	8¾	8¾	
12¾	4¾	Anglo					2	5¾	5¾	5¾	
12¾	4¾	Arrowh		.20			2	5¾	5¾	5¾	
9¾	4¾	Arundl					89	5¾	5¾	5¾	
9	4¾	Asamer		.40			3	5¾	5¾	5¾	
10¾	4¾	Astrex					11	5¾	5¾	5¾	
23¾	11¾	AtlasM		.20	1.7	5	12	15¾	15¾	15¾	
7¾	4¾	Atlas					1	5¾	5¾	5¾	
5¾	4¾	Audiotr					2	5¾	5¾	5¾	
28⅛	25¾	AvcoMc		.44	2.1	12	6	26¾	26¾	26¾	
20⅛	13¼	Avanel		1.20b	7.2	92	21	16½	16½	16½	
15½	15½	BDM		n .17	1.0	12	10	17¼	17¼	17¼	
10¾	4¾	BTK		.40	9.1	5		4¾	4¾	4¾	
7¾	4¾	Badger		.40	6.5	18		6¼	6¼	6¼	
7¾	4¾	Baker						5¾	5¾	5¾	
28⅜	19	Baldwn		.92	4.4	12		20¾	20¾	20¾	
7¾	3¾	Bamfrd						4¾	4¾	4¾	
7¾	3¾	Barco					7	4¾	4¾	4¾	
7¾	3¾	BarrEn						4¾	4¾	4¾	
9¾	3¾	BarryRG						4¾	4¾	4¾	
15¾	6¾	Baruch		.40	5.1	6	110	8	7¾	8	
15¾	6¾	Basrn		n .28	12.1	7		6¾	6¾	6¾	
9¾	4¾	Bativ						5¾	5¾	5¾	
4	1¾	Behrm		.10	5.3		2	2	2	2	
24¾	14	BmtsIA		.48	1.8	8		26¾	26¾	26¾	
24	14½	BmtsIB		.48	1.8	8		26¾	26¾	26¾	
6¾	3¾	BenEn					12	5¾	5¾	5¾	
15¾	8¾	BrBr					5	9¾	9¾	9¾	
9¾	4¾	Berry						5¾	5¾	5¾	
9¾	4¾	BetNO						5¾	5¾	5¾	
27¾	14¾	Beverly		.48	2.1	14	4	23	23	23	
11¾	5¾	BevSys		.48	7.2	7	1	6¾	6¾	6¾	
24¾	14¾	BickPd						17¾	17¾	17¾	
11¾	5¾	BevSv		.15			10	5¾	5¾	5¾	
23¾	16	BevSv		.48	2.9	6		16½	16½	16½	
24¾	14½	BevSv		.48	1.8	8		26¾	26¾	26¾	
6¾	3¾	BenEn					12	5¾	5¾	5¾	
15¾	8¾	BrBr					5	9¾	9¾	9¾	
9¾	4¾	Berry						5¾	5¾	5¾	
9¾	4¾	BetNO						5¾	5¾	5¾	
27¾	14¾	Beverly		.48	2.1	14	4	23	23	23	
11¾	5¾	BevSv

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U.S. COMMODITY PRICES

Chicago Futures

April 29, 1982

WHEAT
5,000 bu minimum; dollars per bushel

	Open	High	Low	Settle	Chg.
May	3.43	3.67¼	3.42¾	3.66	+.20¾
Jul	3.58	3.80	3.57¼	3.80¾	+.20¾
Sep	3.63	3.84	3.61½	3.84¼	+.20¼
Dec	3.68¾	3.89¼	3.67¼	3.89¼	+.20¼
Mar	3.74	3.94	3.72¼	3.94¼	+.20¼
May	4.32	4.35¾	4.31½	4.35¾	+.21

Prev. sales 19,982.
Prev day's open int 30,045, off 1,216.

CORN
5,000 bu minimum; dollars per bushel

May	2.27½	2.35¾	2.26¾	2.35¾	
Jul	2.28¾	2.37¼	2.28¼	2.36¾	
Sep	2.28¾	2.37	2.28½	2.37	
Dec	2.29½	2.37½	2.27½	2.37¼	—.00¾
Mar	2.32	2.39¾	2.31¾	2.39¾	—.00¾
May	2.34½	2.36½	2.34½	2.35½	—.00½

Prev. sales 37,654.
Prev day's open int 134,490, off 2,883.

SOYBEANS
5,000 bu minimum; dollars per bushel

May	6.44	6.62	6.44	6.61¾	+.00¾
Jul	6.48	6.66	6.48	6.65¾	+.00¾
Aug	6.46	6.63	6.46	6.63¾	+.00¾
Sep	6.41¾	6.58	6.41¾	6.58¾	+.00¾
Nov	6.37	6.53	6.36¾	6.53¾	+.00¾
Jan	6.49¾	6.60	6.49¾	6.60	+.00¾
Mar	7.06¾	7.14¾	7.06¾	7.14¾	+.00¾
May				7.26¾	+.00¾
Jul				7.25¾	+.00

Prev. sales 48,702.
Prev day's open int 87,187, off 2,600.

SOYBEAN MEAL
100 tons; dollars per ton

May	189.20	193.50	189.00	193.30	+3.20
Jul	192.50	196.80	191.50	196.60	+3.30
Aug	193.50	197.80	192.50	197.50	+3.30
Sep	193.80	197.80	192.50	197.50	+3.00
Oct	194.00	198.00	193.00	197.70	+3.00
Dec	195.00	200.00	194.50	200.00	+3.00
Jan	196.00	200.00	196.00	200.00	+3.00
Mar	204.00	209.00	204.00	209.00	+3.00
May				215.00	+3.00

Prev. sales 14,182.
Prev day's open int 46,265, un 776.

SOYBEAN OIL
60,000 lbs; dollars per 100 lbs

May	19.67	19.95	19.58	19.84	+.09
Jul	20.00	20.28	19.90	20.17	+.09
Aug	20.20	20.38	20.05	20.26	+.07
Sep	20.30	20.48	20.15	20.36	+.07
Oct	20.40	20.58	20.25	20.46	+.07
Dec	20.70	20.88	20.55	20.76	+.07
Jan	21.00	21.00	20.70	20.86	+.07
Mar	21.20	21.20	21.00	21.06	+.07
May				21.26	+.07

Prev. sales 15,468.
Prev day's open int 55,209, up 729.

OATS
5,000 bu minimum; dollars per bushel

May	2.05	2.09½	2.05	2.07	
Jul	1.90¾	1.95	1.90¾	1.94¾	+.03½
Sep	1.84	1.88	1.84	1.87¾	+.03¾
Dec	1.88¾	1.90½	1.87	1.90¾	+.01¾
Mar	1.92	1.95	1.93	1.95	+.01½

Prev. sales 2,167.
Prev day's open int 8,594, off 81.

CATTLE
40,000 lbs.; cents per lb.

Jun	44.65	45.25	44.65	44.97	+.25
Aug	44.50	45.00	44.32	44.55	—.07
Oct	43.15	43.60	43.00	43.17	—.05
Dec	43.75	44.05	43.55	43.75	—.05

London Metals Market

(Figures in sterling per metric ton)
(Silver in pence per troy ounce)

April 29, 1982

	Today Bid	Today Asked	Previous Bid	Previous Asked
High grade copper cathodes:				
spot	852.00	853.00	848.50	849.50
3 months	862.50	863.00	858.50	859.50
Copper cathodes:				
spot	845.00	847.00	843.00	844.00
3 months	875.00	876.00	873.00	873.50
Tin: spot	7,175.00	7,180.00	7,198.00	7,198.00
3 months	7,175.00	7,180.00	7,198.00	7,265.00
Lead: spot	333.50	334.50	334.00	335.00
3 months	347.50	348.00	348.00	348.50
Zinc: spot	423.50	424.00	426.00	426.00
3 months	428.50	429.00	429.50	430.00
Silver: spot	387.50	388.50	398.50	399.00
3 months	407.00	408.00	417.50	418.00
Aluminium: spot	554.00	555.00	559.00	559.50
3 months	576.50	577.50	582.00	582.50
Nickel: spot	2,930.00	2,940.00	2,990.00	2,995.00
3 months	2,998.00	3,000.00	3,057.00	3,060.00

London Commodities

(Prices in sterling per metric ton)
(Cocoa in U.S. dollars per metric ton)

April 29, 1982

	High	Low	Close (Bid-Asked)	Previous (Close)
SUGAR				
May	132.50	129.75	130.80	131.80
Aug	137.50	135.00	134.60	134.50
Oct	140.00	141.50	142.00	141.75
Jan	N.T.	N.T.	142.00	149.00
Mar	152.25	151.25	144.50	145.00
May	155.50	154.75	152.00	152.50
Aug	N.T.	N.T.	157.00	159.25

4,253 lots of 50 tons.

COCOA

Apr	N.T.	N.T.	988	978	988
May	978	988	988	980	988
Jly	1,004	1,015	1,015	1,005	1,004
Sep	1,024	1,039	1,024	1,025	1,028
Dec	1,078	1,082	1,080	1,064	1,087
Mar	1,108	1,082	1,080	1,082	1,116
May	1,119	1,115	1,115	1,115	1,138
Jly	1,128	1,125	1,126	1,129	1,158

2,908 lots of 10 tons.

COFFEE

May	1,233	1,198	1,220	1,222	1,231
Jly	1,175	1,146	1,160	1,160	1,166
Sep	1,131	1,103	1,113	1,113	1,115
Nov	1,109	1,085	1,094	1,095	1,096
Jan	1,077	1,055	1,065	1,065	1,065
Mar	N.T.	N.T.	1,045	1,050	1,049
May	N.T.	N.T.	1,029	1,030	1,035

2,545 lots of 5 tons.

GASOIL

Apr	319.00	315.00	320.00	309.50	307.00
May	303.00	298.50	302.50	303.00	294.00
Jun	295.75	294.50	294.25	294.50	290.25
Jly	293.50	288.25	292.00	292.25	288.00
Aug	292.00	287.50	290.50	290.75	287.00
Sep	294.00	287.50	292.00	294.00	288.50
Oct	295.00	294.00	293.50	293.00	293.00
Nov	N.T.	N.T.	294.00	294.00	293.00
Dec	N.T.	N.T.	297.25	301.00	292.00

4,710 lots of 100 tons.

Paris Commodities

(Figures in French francs per metric ton)

April 29, 1982

	High	Low	Close (Bid-Asked)	Ch.
SUGAR				
Jly	N.T.	N.T.	1,708	1,728	+18
Aug	1,728	1,710	1,708	1,728	+18
Oct	1,488	1,475	1,488	1,469	+13
Nov	N.T.	N.T.	1,468	1,470	+13
Dec	1,498	1,482	1,488	1,490	+12
Mar	1,745	1,740	1,738	1,735	+12
May	N.T.	N.T.	1,793	1,793	Unch.
Jly	N.T.	N.T.	1,838	1,838	—18

900 lots of 50 tons. Open interest: 9,408.

COCOA

May	1,405	1,400	1,409	1,408	—28
Jly	N.T.	N.T.	-	1,398	Unch.
Sep	N.T.	N.T.	-	1,335	Unch.
Dec	1,378	1,370	1,378	1,377	+28
Mar	N.T.	N.T.	1,428	1,428	+28
May	N.T.	N.T.	1,398	1,398	+28
Jly	N.T.	N.T.	1,368	1,378	+28

28 lots of 10 tons. Open interest: 522

Eurocurrency Interest Rates

April 29, 1982

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	ECU	SDR
1 M.	15¼-15⅜	8¾-9¼	3¾-3⅞	13⅜-13⅝	20⅛-21	13½-14⅛	13⅛-13⅝
2 M.	15 -15⅛	8¾-9	3¾-4⅛	13⅜-13⅝	21⅛-21⅜	13⅝-14⅛	13¾-13⅝
3 M.	15 -15⅛	8¾-8⅞	4⅛-4½	13⅞-13⅝	21⅛-22	13⅝-14⅛	13¾-13⅝
6 M.	15 -15⅛	8⅝-8¾	5 -5⅛	13⅝-13⅝	21⅛-21⅜	13¾-14⅛	13⅞-13⅝
1 Y.	14¾-14⅝	8⅛-8⅛	5⅛-5⅜	13⅝-13⅝	19⅛-20⅛	13¾-13⅝	13¾-13⅛

Selected Over-the-Counter

NEW YORK (AP)— The following list is a selected National Securities Dealers Assn. over the counter Bank, Insurance & Industrial stocks.

Closing Prices, April 29, 1982

AEtna	11¾	12¼
AFAPat	14⅜	¾
AVMCo	4½	4¾
Accuray	16¾	16⅝
AdamsW	10½	10⅝
AdvSem	3¾	3⅝
Affilfd s	19¾	20
Allcomc	39	40¼
Amerex	12	12½
AFurn	4	4¼
AGreet	22¾	23⅛
AmGas s	28¼	29½
AmHes	14	14¾
AmSfty	9¾	9⅞
AmStdSt	8⅛	8¾
AWest s	14	17
AmcMin	4⅜	4¾
AmSA	8 15-16	9⅜
AmAGd	58	67
Apollot	16⅜	16¾
Autolmt	¾	1⅛
ArdenGp	3¼	3½
AstCEI s	26¾	27⅛
ATGnl	25	25¾
AstrEd s	25	25¾
AstrdCo	4⅝	4¾
AtlFSv	3⅝	3¾
AtlGFla	5	5⅛
AtlGSv	2	2¼
AtlantM	18¼	18⅝
Atlcorp	14	14¼
AudioDe	3¾	3⅞
Audiotr	2¾	2⅞
Augat	22¾	23⅛
AusGas s	19¼	20½
AustInd s	14	14¾
Auxton	2⅜	2½
Avatar	2¾	2⅞
Avnet	22¾	23⅛
Avtex s	4⅜	4½
AzoCp	3¾	4
BEIInd	11¾	12¼
BFGoodr	39¾	40⅛
BMC s	3¾	4
BakerJ	2¾	3
Bancal	3¾	4
BkAtl A	8¾	9
BkAtl B	8¾	9
BkMont	10¾	11
BkVa	19¾	20¼
BkrsHill	15¾	16
BarclayJ	11¾	12
Barnwell	3¾	4
Barr	5¾	6
BarryWr	5¾	6
Bayou s	3¾	4
BeckInd	3¾	4
BeldnH s	22	22¾
BenMcK	18¼	18⅝
BibbCo	14	14¾
BirdSon	7¾	8
Birtcher	5¾	5¾
Blyvoor	6¼	6⅝
Bonanz	13-16	7⅛
BrwTom	14	14¼
Bucklee	10⅝	10⅝
Buffets	26½	26½
BurmaB	12⅝	12¾
CNL Fin	2	2¼
CPT s	14⅜	15¼
CalWtr	24½	25½
CanadnH	28	30
CapBa s	13-16	¾
CapSm s	13	13
CapAir	8	3¼
CareCo	19½	20
CharRiv	27½	28
ChmdI s	16⅜	17⅛
ChmNuc s	21½	21¾
ChnLea	14½	16
ChseUtl	16½	39½
ChkBd	41¾	41¾
ChrRea	6¾	7¼
ChtSeGo	8¾	8¾
CitzUtA	35¼	35½
CitzUtB	33½	33¾
ClarkJL	39½	39¾
ClevCo	8¾	9
CoinTel	14½	14¾
ColoCas	5-32	¾
ComCtH	58¾	59
CmBcSy	12	13
CmwTel	17¾	17¾
ConPap	36½	37
CnsTy	19¾	20
CrwCty	19¾	20⅛
CurtPds	¾	1⅛
Cyclotm	4⅝	¾
DtaDes s	12¾	13⅜
DavisMk	7¼	7¾
Dbeer	29⅜	30¼
DeltaAg	19	19⅜
DetCan T	17	17⅜
DewyRB	7	8¼
DiscVis	23	23½
DiscCrs	11	11¼
Docutel s	26¾	26¾
DodrGn	17¼	17⅜
DoyIDS	17¼	17⅜
DrlexCo	19½	19¾
DunkDp s	9¾	10¼
Durlron	12⅜	12⅝
EastVac	12½	13⅛
EconLab	19¾	19¾
ElPasEl	17¼	17¾
ElderBe	5	5½
Elsinor	9¼	9¾
EMedI s	20½	21
EarDev	38¾	39
EmlHmd	14-15	14⅜
Endevco	6¾	6¾
Enrlnd	11¾	12¾
Envirtc	3⅜	3½
EqtSpl	4⅛	4½
EqtCtl	7¾	7¾
ESFIC	2¾	3
FormGe	35½	35¾
Fotlcor	26¼	26¾
FtBkSys	32½	33¼
FtBostn	34¾	37½
FtEmpS	17	17½
FtwaPla	7¾	8¼
FtwaSec	21	21¾
FtwaSts	18	18¼
FtNtHB	39	39½
Flurech	6¾	6¾
ForestD	24¾	24⅝
Formtgd	3	3¼
FrankCp	11	12
FrstSC	21½	21¾
Frenzi	13¾	13⅝
FstHB	14⅜	14⅝
GnAstm	3¾	3¾
GnDevCs	3¾	3½
GnRtEst	14½	15¾
GovEfn	8	8¼
GraScn s	15⅜	16
GreyAdv	66	70
GHmkt	12¾	13½
GyroDyn	6¾	7¾
HarrisPt	14½	14½
Hardwks	3¾	3
HrpRow	9½	9¾
HarrCo	26¼	26¾
HarrNRS	19¾	20
Hechngs	17	17¼
HeardF	34½	35
Holobm	2¾	3¼
Hoover	10¼	10⅝
HorizBs	3¼	3½
IASInt	14¼	14⅝
Intrmd	9¾	9¾
Intel	32	32½
IntrEmr	6¾	6¾
IntrnCs	11¼	11⅝
InSkWsh	10¾	11¼
IwaSoUt	23⅝	24⅛
Jamsby	14	14¼
Jervis	28¾	29⅜
JrJlthr	3-16	7-16
Joslyn s	29¼	29½
KaiserA	18	18⅜
Kaiser	1 5-16	1⅜
Kamms s	19	19½
KaneB s	23¼	23½
Kimbell	20½	21⅛
Kimtnl	9⅜	9⅝
KlootG	20¾	21
KoppGV	35¾	35¾
Kroger	11½	12
Kulicke	17½	18
Lance s	19¾	19
Landbas	4¾	4¾
LaneCo	17	17½
Lfbvs	24	25½
Lindsay	38¾	39⅜
Lindrd s	23¾	23¾
Lsastrn	17⅜	18½
MCIC	36¾	36¾
MGFDI	15⅜	15¾
Marlen	8¾	8¾
MaxLP	38	38
MayPt	14¾	17
McGrpOil	4½	4⅝
McCorm	25¾	25¾
McRort	8⅜	9
McHugh	17⅜	18
McLtd	11¾	11¾
MdlsCap	7¾	7¾
MidRes	15-16	1
MidBks s	22½	22¾
MilBar	19½	19⅝
MtorVG	17	17¾
Molex	45¾	46¼
MontCol	5¾	6⅜
MoreCo	17½	17¾
MoreFd	28¾	29
MorgRss	10¾	11
Morrstn	17¾	17⅝
MotClub	7¼	8
Mueller	19	20¾
NorrPC	21	22
NDC s	19¼	19⅝
NJRes	13¾	13⅝
NYAir	3½	3⅝
NtckDG	10	10½
Nicolet	12⅝	12⅝
NiesnA	7⅞	8¼
NiesnB	40½	40½
NlsnB	26¾	26¾
NoCorGs	13½	13⅜
NwNGs	11⅛	11⅜
NwstPc	16½	16¾
Nwstl	33¾	33½
Nucrp s	1⅛	1⅛
NutrSys	25½	25¾
Oceaner	15½	15⅜
OdlnvAl	23½	23¾
OhioCas	43¾	43½
OlyPetro	7¾	7⅞
OtterTP	18¾	19
PCAInt	6	6⅛
PabstB	18¾	18¾
PcGaR	16⅛	16⅝
PaulerP	7½	8
PeerMf	10	11¼
PeoplEnt	13	13¾
PerknFs	13¾	13⅜
PeopEng	12½	13⅝
Petrlte	28	28½
PetMan	14¾	17¼
Philbrk	34¾	34⅝
PierceSS	12	12⅜
Pinkrtn	56	59
PlainEls	26¼	26½
Pomis	16⅝	17¼
PrestGA	23½	23⅝
Prestlown	23½	23¾
Prizer	21⅜	21⅝
PubSvIC	15	15½
Purltan	20	20½
PutnCap	13¾	13
QuakrOt	18¾	19
RaisnPr	24	24¼
Raychm	8½	8⅝
Raymad	20½	21¼
Reevs s	8¼	8¾
ReedEx	8¼	8½
RobMfr	10½	11
Rose	16¾	16⅝
Sadler	3¾	4
Safeco	39¾	39⅝
SalmCd	23¾	24
SIPaul	40¾	40¾
SvcMer	15⅝	16¼
Svcmst s	28½	28⅝
SvMed	38¾	38⅝
Shamrcf	3¾	3¾
SierraRs	13	13¼
Silicnx	19½	20
SCalEdis	17¾	18
SoNGas	14¾	15
Standrn	27	27½
StdMicro	3½	3¾
Stanwks	30	30
StauHF	35½	36¼
Sterlst	23¾	24
StrawCl	26¾	27
Subarn	45¾	46
SumerEl	23¾	24
Sybse s	15½	15¾
TDK	27¾	28¼
TIME DC	24	24¼
Tampax	35¾	36¼
Tandm s	27½	27⅝
TecumP	38½	39¼
TelcmA	21⅝	22
Tenzol	15¾	16
TexABs	39½	40
Tpnary	9¾	9¾
TomKin	8¾	9½
Tpngs s	8½	8¾
TriCon	22	22¼
TyrantFd	17½	17¾
UnMcGill	17	17¾
USEnr	5¼	5½
USStor	17¾	18
USTrck	32¼	33¾
UVaBsh	24¾	25
UnvEng	8¼	9
UsPanP	13	13⅜
VestR	46	46¼
VolNtl s	16⅝	16⅝
VonDus	11¼	11½
Velcro	14⅜	14⅝
Vicinsit	10	10⅜
VideoCp	9¾	9¾
VoldBnk	19	19
WarnEs	13¾	14¼
WshEnr	13⅝	14⅜
Watkins	3¾	4¼
Wbstrs	21⅝	22¼
WHold	33½	34
WmorC	17¾	17¾
WtsrO s	18½	19
WolvAlu	5	5¼
Womet	11¾	12
WoodLd	30¾	31¼
WrightM	13¾	13
ZionUt s	23½	24

n.s.- Not applicable.

New York Futures

April 29, 1982

MAINE POTATOES
50,000 lbs.; cents per lb.

	Open	High	Low	Settle	Chg.
Nov	5.80	8.02	7.90	7.95	—.04
Feb				8.97	
Mar	9.28	9.28	9.11	9.18	—.02
Apr	10.45	10.54	10.42	10.59	+.05

Est. sales 75. Prev. sales 28.
Prev day's open int 1,188, up 2.

COFFEE C
37,500 lbs.; cents per lb.

May	144.00	149.50	144.00	149.00	+3.50
Jul	134.50	139.00	134.50	138.50	+3.50
Sep	128.50	133.00	128.50	132.50	+3.50
Dec	117.00	119.25	117.00	119.25	+3.50
Mar	114.00	115.50	114.00	115.50	+3.50
May				114.50	+3.50

Est. sales 2,978. Prev. sales 1,584.
Prev day's open int 9,599, off 105.

SUGAR-WORLD 11
112,000 lbs.; cents per lb.

May	9.36	9.45	9.15	9.21	—.09
Jul	9.50	9.58	9.30	9.36	—.09
Sep	9.77	9.88	9.48	9.61	—.07
Oct	9.98	10.02	9.76	9.88	—.06
Mar	10.82	10.90	10.62	10.81	—.01
May	11.17	11.19	10.90	10.98	—.01
Jul	11.36	11.36	11.10	11.08	—.01
Oct				11.28	—.01

Est. sales 11,701. Prev. sales 15,688.
Prev day's open int 64,249, off 441.

COCOA
10 metric tons; $ per ton

May	1580	1730	1575	1675	+75
Jul	1625	1781	1611	1717	+76
Sep	1670	1815	1659	1764	+76
Dec	1728	1868	1708	1813	+76
Mar	1778	1775	1775	1862	+76
May				1911	+76
Jul				1959	+76

Prev. sales 2,187.
Prev day's open int 13,927, off 27.

ORANGE JUICE
15,000 lbs.; cents per lb.

May	114.00	114.20	114.00	114.05	+.05
Jul	117.30	118.50	114.95	117.35	+.15
Sep	119.95	120.50	119.20	120.40	+.15
Nov	122.00	122.40	122.00	122.30	+.15
Jan	123.50	123.50	123.50	123.50	+.15
Mar				124.50	+.15
May				126.00	+.15
Jul				127.50	+.15
Sep				129.00	+.15

Prev. sales 809.
Prev day's open int 6,325, off 59.

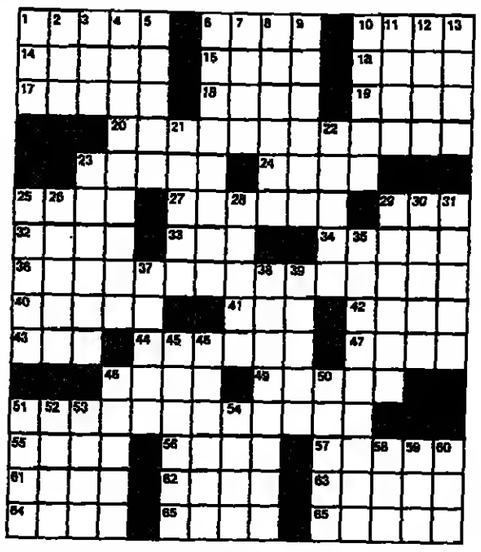
COTTON 2
50,000 lbs.; cents per lb.

May	68.75	69.15	68.75	69.00	+.20
Jul	69.45	70.00	69.40	69.91	+.26
Oct	72.30	72.72	72.25	72.72	+.32
Dec	73.28	73.95	73.28	73.88	+.32
Mar	75.30	75.60	75.30	75.60	+.25
May				76.68	+.25

Prev. sales 809.
Prev day's open int 6,325, off 59.

COTTON 3

CROSSWORD — Edited by Eugene T. Maleska



ACROSS

1 Pod
6 Church head
10 Spanish artist
14 Mustafa Kemal——
15 Biblical kingdom
16 Level
17 "Experience keeps—— school": Franklin
18 Flaccid
19 Essence
20 Spanish painter-sculptor
23 Assumed proposition
24 Periods
25 Equal
27 Fitted
29 Caesar's "Hi!" or "Bye"
32 Jewish month
33 Law deg.
34 Pythias' friend
36 Florentine sculptor
40 School, in Nice
41 Silkworm
42 Religious group
43 Cub Scout unit
44 Conqueror of Rome: A.D. 410
47 Algonquian Indian
48 Hit the dirt
49 Naughts
51 French sculptor
55 Cookie
56 College in N.C.
57 Gustav VI ——, Swedish king
61 Timber supporting a dock
62 Moreno
63 Titter
64 Celebrity
65 Witnessed
66 Ready for battle

DOWN

1 Town having allegiance to Liège
2 Follower of Mary in a rhyme
3 Employ
4 Dense thicket
5 Gold measure of fineness
6 Disorderly
7 Mixture
8 Indulge
9 Sovereignty
10 French artist
11 Advice, in Arles
12 More's antithesis
13 "—— each life . . ."
21 Horn
22 Indian language
23 Church official
25 Turned wan
26 Bring out
28 More adept
29 Fossil resins
30 Utter
31 Maternally related
35 Fugitive
37 Fir or pine boards
38 La Guardia, as a child
39 Prepared potatoes, in a way
45 European quarts
46 —— Land, in Antarctica
48 Fantastic
50 Lasso
51 Creatures studied by herpetologists
52 Single thing
53 Festive
54 Surf sound
58 Resistance measure, to an E.E.
59 Novelist Harper——
60 I.R.S. agent

WEATHER

	HIGH C	HIGH F	LOW C	LOW F			HIGH C	HIGH F	LOW C	LOW F	
ALGARVE	27	81	9	48	Fair	LOS ANGELES	21	70	15	59	Cloudy
ALGIERS	21	70	7	45	Fair	MADRID	22	72	7	45	Cloudy
AMSTERDAM	18	50	8	46	Showers	MANILA	35	95	24	75	Foggy
ANKARA	15	59	8	46	Rain	MEXICO CITY	28	82	13	55	Cloudy
ATHENS	17	63	9	48	Cloudy	MIAMI	20	68	6	43	Cloudy
AUCKLAND	19	66	10	50	Rain	MILAN	20	68	6	43	Fair
BANGKOK	38	100	29	84	Fair	MONTREAL	15	59	1	34	Fair
BEIRUT	23	73	17	63	Foggy	MOSCOW	12	54	5	41	Fair
BELGRADE	9	48	2	36	Overcast	MUNICH	11	52	3	37	Overcast
BERLIN	13	55	4	39	Overcast	NAIROBI	25	77	15	59	Cloudy
BOSTON	10	50	4	39	Cloudy	NASSAU	30	86	20	68	Cloudy
BRUSSELS	10	50	7	45	Rain	NEW DELHI	31	88	18	64	Fair
BUCHAREST	14	57	4	39	Rain	NEW YORK	19	66	7	45	Sunny
BUDAPEST	14	57	3	37	Fair	NICE	18	64	9	48	Fair
BUENOS AIRES	23	73	10	64	Foggy	OSLO	10	50	2	36	Rain
CAIRO	27	81	17	63	Fair	PARIS	14	57	11	52	Overcast
CAPE TOWN	19	66	6	43	Fair	PEKING	20	68	8	46	Overcast
CASABLANCA	22	73	10	50	Fair	PRAGUE	10	50	6	43	Overcast
CHICAGO	16	61	4	39	Cloudy	REYKJAVIK	1	34	1	30	Snow
COPENHAGEN	10	50	3	41	Showers	RIO DE JANEIRO	26	79	17	63	Fair
COSTA DEL SOL	19	66	14	57	Fair	ROME	20	68	4	39	Fair
DAMASCUS	26	79	10	50	Overcast	SAO PAULO	18	64	13	55	Fair
DUBLIN	12	54	6	43	Overcast	SEOUL	20	68	10	50	Foggy
EDINBURGH	10	50	5	41	Showers	SHANGHAI	23	73	13	55	Overcast
FLORENCE	20	68	2	36	Cloudy	SINGAPORE	30	86	22	73	Stormy
FRANKFURT	13	55	6	43	Rain	STOCKHOLM	8	46	0	32	Overcast
GENEVA	17	63	2	37	Foggy	SYDNEY	21	70	15	59	Cloudy
HARARE	27	81	14	57	Fair	TAIPEI	23	73	14	57	Foggy
HELSINKI	10	50	1	34	Cloudy	TEL AVIV	29	82	18	64	Overcast
HONG KONG	22	72	21	70	Rain	TOKYO	18	64	12	54	Rain
HOUSTON	28	82	17	63	Cloudy	TUNIS	20	68	7	45	Cloudy
ISTANBUL	14	57	9	48	Rain	VENICE	16	64	5	41	Foggy
JERUSALEM	23	73	15	59	Foggy	VIENNA	15	59	7	41	Cloudy
LAS PALMAS	25	77	16	61	Fair	WARSAW	12	54	5	41	Cloudy
LIMA	23	73	14	57	Overcast	WASHINGTON	17	63	8	46	Sunny
LISBON	24	75	14	57	Fair	ZURICH	14	57	3	37	Overcast
LONDON	13	55	6	44	Overcast						

Readings from the previous 24 hours.

ADVERTISEMENT

INTERNATIONAL FUNDS

April 29, 1982

The net asset value quotations shown below are supplied by the Funds listed with the exception of some funds whose quotes are based on issue prices. The following marginal symbols indicate frequency of quotations supplied for the (NT:(d)—daily; (w)—weekly; (m)—monthly; (b)—bi-monthly; (r)—regularly; (i)—irregularly.

BANK JULIUS BAER & Co Ltd
— (d) Boerbond SF 700.15
— (d) Condor SF 765.00
— (d) Grabor SF 707.00
— (d) Stockbar SF 911.00

BANK VON ERNST & Cie AG PB 2622 Bern
— (d) CSF Fund SF 178.79
— (d) Creabow Fund SF 15.95
— (d) I7F Fund N.V. $ 11.55

BRITANNIA, PO Box 271, St. Helier, Jersey
— (w) Universal Growth Fund 0.849c
— (w) Jersey Gilt Fund Ltd. £ 19.7pxd

CAPITAL INTERNATIONAL
— (w) Capital Int'l Fund $24.42
— (w) Capital Italia S.A. $ 10.42
— (w) Convertible Capital S.A. $ 21.43

CREDIT SUISSE
— (d) Actions Suisses SF 267.25
— (d) Conasec SF 540.00
— (d) C.S. Fonds-Bonds SF 58.25
— (d) C.S. Fonds-Int'l SF 57.75
— (d) Energie-Valor SF 114.50
— (d) Usec SF 598.00
— (d) Europa-Valor SF 101.25
— (d) Pacific-Valor SF 95.75

DIT INVESTMENT FFM
— (d) Concentra DM 17.14*
— (d) Int'l Rentenfonds DM 61.84*

FIDELITY PO Box 670, Hamilton, Bermuda
— (m) American Values Common $25.44
— (m) American Values Cum. Pref. $101.00
— (w) Fidelity Amer. Assets $ 57.71
— (d) Fidelity Australia Fund $ 8.06
— (d) Fidelity Dlr. Svgs. Tr. $91.86
— (d) Fidelity Far East Fd $ 27.40
— (w) Fidelity Int'l Fund $ 24.41
— (d) Fidelity Orient Fund $ 20.97
— (w) Fidelity Pacific Fund $ 89.31
— (w) Fidelity World Fd. $ 28.44

G.T. MANAGEMENT (U.K.) LTD
— (w) Berry Pac. Fd. Ltd. $ 59.63
— (w) G.T. Asia Fund HK$ 18.32
— (d) G.T. Bond Fund $ 10.78
— (w) G.T. Dollar Fund $ 11.86
— (d) G.T. Investment Fund $ 13.86
— (d) G.T. Japan Small Co Fund $ 14.47
— (d) G.T. Technology Fund $ 22.95

INTERNATIONAL INCOME FUND
38-34 Hill St, St. Heller, Jersey
— (d) Short Term 'A' (Accum) $1.0974
— (d) Short Term 'A' (Distr) $1.0377*
— (d) Short Term 'B' (Accum) $1.0990
— (d) Short Term 'B' (Distr) $1.0327*
— (w) Long Term $ 20.63*

JARDINE FLEMING POB 70 GPO Hg Kong
— (b) J.F. Japan Trust ¥ 2,334
— (b) J.F. South East Asia $ 36.42
— (b) J.F. Japan Technology ¥ 8,700
— (b) J.F. Pacific Sec.(Acc) $4.85
— (b) J.F. Australia $ 6.49

LLOYDS BANK INT., POB 438 GENEVA
— (w) Lloyds Int'l Growth SF 436.50
— (w) Lloyds Int'l Income SF 280.00

PARIBAS-GROUP
— (d) Cortexa International $ 80.54*
— (w) OBLI-DM dm 1,100.46*
— (w) OBLIGESTION SF 87.10
— (w) OBLI-DOLLAR $ 1,053.08

RBC Investment Mgrs, PO Box 246, Guernsey
— (w) RBC Int'l. Capital Fd $ 10.90*
— (w) RBC Int'l. Income Fd $ 9.96
— (w) RBC North Amer. Fund $ 4.83

ROTHSCHILD ASSET MGT (C.I.):
— (r) O.C. Dlr Commodity Tr $ 31.99*

SOFID GROUPE GENEVA
— (r) Parfon Sw. R Esi SF 1,294.50

SWISS BANK CORP
— (d) America-Valor SF 388.50
— (d) D-Mark Bond Selection DM 106.37
— (d) Dollar Bond Selection $ 110.27
— (d) Florin Bond Selection Fl 106.57
— (d) Intervalor SF 352.50
— (d) Japan Portfolio SF 492.25
— (d) Swissvalor New Ser SF 196.50
— (d) Univ. Bond Select SF 102.50
— (d) Universal Fund SF 73.40*

UNION BANK OF SWITZERLAND:
— (d) Amca U.S. Sh SF 27.75
— (d) Bond Invest SF 66.00
— (d) Fonsa Swiss Sh SF 91.00
— (d) Globinvest SF 44.00
— (d) Japan-Invest SF 500.00
— (d) Pacific Invest SF 113.50
— (d) Safit Sourn Afr Sh SF 343.50
— (d) Sima Swiss R Est SF 190.00

UNION INVESTMENT7 Frankfurt
— (d) Unirenta DM 25.94
— (d) Unifonds DM 15.30
— (d) Unirak DM 50.55

Other Funds
(w) Alexander Fund $ 12.36
(r) Arab Finance I.F $849.56
(w) Trusticar Int. Fd (AEIF) $8.11
(w) Bankers Int. Issue Pr. SF 11.75
(w) Capital Gains Inv. $ 17.28
(w) Citadel Fund $ 1.89
(m) Cleveland Offshore Fd. $ 1,015.15
(b) COMET $ 765.52
(w) Convert. Fd Int. A Certs $ 7.18
(w) Convert. Fd Int. B Certs $ 17.61
(w) Currency Trust 107.00
(w) D.G.C. $ 51.91*
(d) Dreyfus Fund Int'l $ 24.24
(w) Dreyfus Intercontinent $ 28.73
(d) Eurasc Dollarbonds £ 2.149
(d) Energy Int. N.V. $ 30.84
(w) F.-America $ 14.54
(w) FIF-Pacific $ 10.39
(w) First Eagle Fund $ 7,275.36
(w) Fonsciet Issue Pr. SF 130.75
(w) Formula Selection Fd SF 43.29
(d) Fonditalia $ 18.29
(d) Frankf.-Trust Interzins DM 39.80
(d) Global Fund Ltd SF 2.96
(d) Global Int'l Fund DM 5.35
(w) Haussmann Hldgs. NV $ 581.22
(d) Indosuez Multibonds A $ 101.68
(d) Indosuez Multibonds B $ 129.60
(d) Interfund S.A. $ 11.42
(w) Intermarket Fund $ 205.71
(w) International Gold Fund $ 43.95
(d) I.O.S. Growth $ 11.53
(r) Int'l Securities Fund $ 8.18
(d) Investa OWS DM 30.94
(r) Invest Atlantiques $ 56.16
(r) Isofortune Int'l Fd S.A. $ 99.13
(w) Japan Selection Fund $ 91.93
(w) Japan Pacific Fund $ 52.84
(w) J. Rothschild Int'l Inv. 'A' $ 13.241
(d) KB Income Fund LF 1,499.60
(d) Kleinwort Benson Int. Fd $ 15.25
(w) Kleinwort Bens. Jap. Fd $ 28.19
(w) Leverage Com. Hold $ 100.24
(w) Lexfund $ 37.44
(d) Mediolanum Sel. Fund $ 13.49
(w) NAAT $ 8.56*
(w) Nippon Fund $ 20.77
(w) Nor. Amer. Inv. Fund $ 3.20*
(w) N.A.M.F. $ 91.92
(m) NSP F.I.7 $ 109.96
(w) PANCURRI Inc. $ 13.28
(d) Pegasus Shipping S.A. $ 1.75
(b) Pleiades $ 872.77
(d) Putnam Intern'l Fund $ 27.99
(w) Quantum Fund N.V. $ 1,466.42
(d) Renta Fund $ 48.53
(d) Rentinvest LF 984
(d) Safe Fund $ 2.78
(d) Safe Trust Fund $ 8.39
(w) Samurai Portfolio SF 68.50*
(w) SMH Special Fund DM 83.00
(w) State St. American $ 98.37
(d) Stocker 'A' $
(d) Stocker 'B' $ 12.63
(w) Tokyo Pac. Hold (Sec) $ 58.59
(w) Tokyo Pac. Hold N.V. $ 74.47
(w) Transpacific Fund $ 44.55
(d) UNICO Fund OM 58.70
(w) United Can Inv. Fund $ 3.00
(m) Winchester Overseas $ 10.95
(m) Winchester Diversified $ 26.73 *
(w) Worldwide Securities $ 107.00
(w) Worldwide Special $ 2,861.53

DM — Deutsche Mark; ' — Ex-Dividend; * — New; N.A. — Not Available; BF — Belgian Francs; LF — Luxembourg Francs; SF — Swiss Francs; + — Other prices; a — Asked; b — Bid Change P/V 310 to 31 per unit, S/S — Stock Split; ** — Ex Rts; "E" — Suspended; N.C. — Not communicated; e — Redempt price-Ex-Coupon; ee Formerly Worldwide Fund Ltd; Fl — Dutch Florins

PEANUTS

B.C.

BLONDIE

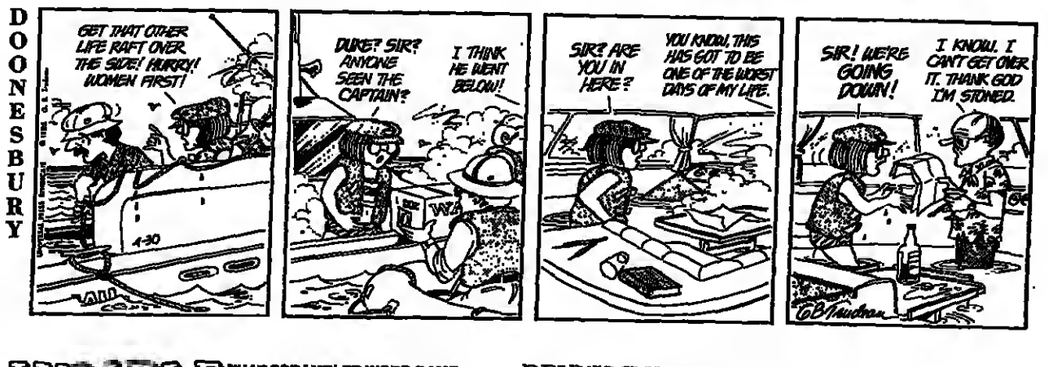
BEETLE BAILEY

ANDY CAPP

WIZARD of ID

REX MORGAN

DOONESBURY



JUMBLE. THAT SCRAMBLED WORD GAME

by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

SHECS

ROFEY

LUMUTT

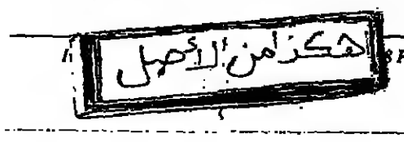
JERPUM

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: A

(Answers tomorrow)

Yesterday's Jumbles: MOLDY ORBIT HARDLY MEASLY
Answer: Ran off with a roll of cloth—"BOLT-ED"



DENNIS THE MENACE

"I'M HELPING MR. WILSON PICK UP HIS TOYS."

BOOKS

THE ADULTERESS
By Philippa Carr. 334 pp. $12.95.
Putnam's Sons, 200 Madison Avenue, New York, N.Y. 10016.

THE OLD PRIORY
By Norah Lofts. 231 pp. $13.95.
Doubleday & Co., Garden City, New York 11530.

Reviewed by Susan Dooley

THE pleasure of historical novels lies in their remoteness. People travel on horseback and you are not reminded that the Honda needs a new clutch. Women dash about in velvet gowns, throwing on a cloak to go out into the night, and underlings indulge your every whim (taking time out only to roll in the hay during harvest festivals). Castles may tumble and villains abound, but oh, so long ago, and good always triumphs and happiness holds the last page.

And if ever anyone deserved it, it's Zipporah, "The Adulteress," who has had to endure a scheming housekeeper trying to disinherit her by bedding down Zipporah's lusty old uncle, an evil estate manager who almost murders her, a crippled, clinging husband, an immoral nephew who tries to steal off with her daughter, and a brief love affair with a moody doctor whose past includes a Terrible Secret. All this to return to the arms of the only man she really loves, the Frenchman who made her "The Adulteress."

"He put his arms about me and held me close to him. 'I love you,' he said.

"'I love you,' I answered.

"'Dear Zipporah . . . be happy . . .'

"'I am . . . and then I'm not.'

"'It had to be.'

"'It should never have been.'

"'It *has* been.'

"'Oh God,' I said . . ."

But England and France are on the verge of war and Gerard, having changed her life and taught her on page 97 "what I had never known before — that I was a deeply sensuous woman," must leave.

Not to reappear until page 332, which seems highly unfair. No amount of blackmailing, suicides, fires, secret burials and other amusements make up for the fact that the promised love affair has been shoved offstage.

Instead we must follow along with a motley of shallow characters, convinced that we are in another era not because of attention to detail but because of the inclusion of the historic event, as Zipporah and her doctor visit the pleasure gardens of Ranelagh to hear a concert performance by the 8-year-old Mozart. "As the boy sat there and played, we were transported from this fashionable rotunda. I don't know whether others felt as I did, but it seemed to me that I was flying through space, and the music, so delicately played, so inspiring and yet so mysterious, was carrying *me* along . . . I think a good many of us that night realized that we were in the presence of genius."

When Potatoes Were Exotica

In "The Old Priory" we are in the presence of the potato, a new and exotic vegetable that, it is hoped, will save the failing fortunes of the Tresizes.

And quite a comedown it has been from the day in 1590 when Arthur Tresize bought The Old Priory – curse and all. The estate prospers but the family does not, as one wife dies, another runs away and a third goes mad. It is for the second generation to lose the fortune and the third to reclaim it.

Although the narrative of the book spans three generations, it is both more tightly written and more compelling than "The Adulteress." The characters, as unpleasant as they often are, are real. Nor does Norah Lofts need to plunk a boy Mozart down at his harpsichord to remind us what year it is. She sets her book in a different time by showing us a different way of life, a different morality, with unwanted babies put out to die and a young woman put out to whore to make money for the family.

"When I was 10 I got a job at the grammar school, making beds and emptying chamberpots, but that lasted only two years because I began to be pretty and a danger to the young gentlemen; so I went to pick and bale wool. Picking, which meant taking thorns and burrs out of the fleeces and cleaning out the bits which dung or tar had soiled, was, I suppose, no worse than emptying chamberpots. But it was a great deal heavier and harder on the hands. I was not altogether sorry when Mother said I could leave, trim myself up a bit and take to harlotry. But I hadn't the nature for it . . . when it came down to a man in a shirt and me in my shift, or sometimes completely naked, I felt a kind of shuddering. Mother was amused and said I'd get better with practice."

Even the slave trade is happily explained away by Arthur Tresize, talking about the ship he had sailed on: "This sounds cruel, but the slaves were men and women captured in the endless tribal wars, or men who had got into debt and thereby forfeited their freedom. Most of them would have ended in the cooking pot, but for the trade." A voice from a long-gone time, but what else do we read historical fiction for?

Susan Dooley writes a weekly column for The Washington Post's Style Plus page.

Solution to Previous Puzzle

C	H	E	F		S	C	A	M		S	T	A	M	P
H	O	R	A		H	O	N	E		C	O	M	E	T
U	N	A	S		A	V	O	N		A	R	E	N	A
B	I	T	T	E	R	E	N	D	E	R		N	U	S
			S	V	E	N		O	L	A	F			
P	O	S	T	E	D			I	B	I	S	E	S	
I	N	C	A	S		B	I	N	D		N	A	S	T
N	E	A	R		C	A	N	O	E		J	O	T	A
T	A	R	T		A	N	O	N		A	S	N	E	R
A	L	P	E	R	T			S	P	H	E	R	E	
			R	E	E	F		D	E	S	I			
A	G	E		T	R	A	D	E	C	E	N	T	E	R
M	O	T	T	O		T	O	T	O		G	O	O	I
M	A	T	E	R		A	D	E	N		U	N	I	S
O	L	E	N	T		L	I	O	R	D		P	I	E	T	E

BRIDGE

By Alan Truscott

A two-way finesse is never a guess. That statement, like virtually all other sweeping generalizations about bridge, is untrue. But it is not far from the truth, and the substitution of "hardly ever" for "never" would give it validity.

This assumes that the two-way finesse is for a queen. (A two-way finesse for a jack, a rarer bird, is quite often a complete guess.) There are some highly improper but interesting ways to improve one's prospects, all based on provoking a reaction from the opponent holding the queen. You can, like P. Hal Sims, think a long time in the hope that the player with the queen will attempt to show nonchalance by making a remark, lighting a cigarette or ordering a drink. If this fails, you can then lead rapidly from the wrong hand and see who objects. And at rubber bridge with one trump honor in dummy you can make a premature and mendacious claim of 100 honors in the hope that someone will object.

Consider this lay-out:

NORTH
♠A J 10 5

SOUTH
♠K 9 8 2

If this is a side-suit and South's holding has not been shown in the auction, it is right to lead the nine at an early stage. A good player in the West position may cover with the queen, fearing that you have a doubleton nine.

In most cases, however, percentages must be considered. If one opponent is known to have length in another suit, he is less likely to have the crucial queen. And the high-card points in the defenders' hands may offer a clue and so may the absence of an opening lead in the key suit.

If the nine is missing, there is usually a clear-cut way to play. With the heart suit shown in the diagram, for example, one should normally play West for the queen, taking a first-round finesse. This gains when East has a small singleton and loses to a singleton queen. It appears to lose also when West has a singleton nine, but South has a chance to change course.

When this deal was played in a duplicate game, it might seem that almost any four-one trump slit was due to wreck South's optimistic grand slam. But Barry Schwartz of the psychology department at Swarthmore College struggled home with 13 tricks by assuming a favorable distribution in the other suits.

The bidding calls for some explanation. Two clubs was strong and artificial, and the response of two hearts showed, by partnership agreement, two kings or an ace. North now knew that the partnership held all the aces and kings; so, he was thinking in grand-slam terms.

NORTH(D)	
♠A K J 10 9 8	
♡A J 10	
◇A K 8	
♣A	
WEST	**EAST**
♠Q 5 4 2	♠7 3
♡Q 9 6 2	♡3
◇10 7 4	◇J 9 5 2
♣8 6	♣Q 10 9 5 3 2
SOUTH	
♠6	
♡K 8 7 5 4	
◇Q 6 3	
♣K J 7 4	

The bidding was:

North	West	South	East
2♣	Pass	2♡	Pass
2♠	Pass	3♡	Pass
3♠	Pass	3 N.T.	Pass
4◇	Pass	4♡	Pass
7♡	Pass	Pass	Pass

West led the club eight.

North might have bid five no-trump after three hearts, requiring a grand slam, if South held the heart queen as well as the king. But there were chances of making seven spades or seven no-trump even if the heart queen was missing.

South had problems at the third and fourth turns. He might have considered jumping to four no-trump over three spades or five no-trump over four diamonds. Both should be treated as natural in this context.

North bid seven hearts in the expectation that his partner held either the heart queen or a six-card suit. As it was, the declarer had a lot of work to do. He won the club lead in dummy, cashed the spade ace and ruffed a spade. He finessed the heart ten successfully, crossed to the diamond queen and repeated the trump finesse.

East's discard of a club was a blow, but Schwartz saw that he still had a chance. He needed to find West with 4-4-3-2 distribution, in that order, which would permit all the side-suit winners to be cashed safely. He cashed the spade king and ruffed another spade. He cashed the club king and two more diamond winners.

All this passed off peacefully, and West was reduced to the queen-nine of trumps. But South still had the ace and king, and cross-ruffed the last two tricks to make his grand slam.

هكذا من الأصل

Bullets Win on Final Shot; Series Tied

The Associated Press

BOSTON — Frank Johnson's three-point field goal with three seconds left climaxed a 26-point performance and gave the Washington Bullets a 103-102 victory over Boston Wednesday night, evening their National Basketball Association playoff series at one game each. The series was to move to Washington for games Saturday and Sunday.

"I've made some big ones before, but this one was the biggest," Johnson said. "The guys told me in the huddle to take it, and as soon as I let it go I knew it was in."

In the other quarterfinal series, Philadelphia topped Milwaukee, 120-108; Los Angeles downed Phoenix, 117-98, and Seattle beat San Antonio, 114-99.

Johnson scored 24 of his points in the second half, including 13 in the final period in which the Celtics led most of the way.

Boston wiped out an 84-80 deficit with 10 straight points to take a 90-84 lead with 5:16 remaining in the game. The Celtics led by from one to five points but could not shake the Bullets.

The Celtics went ahead, 101-98, with 1:06 to play when Nate Archibald made one of two free throws. Greg Ballard's two foul shots with 40 seconds to go cut the lead to one before Robert Parish made one of two free throws for Boston with 33 seconds left.

But with 10 seconds remaining, Parish was called for an offensive foul. The Bullets worked the ball to Johnson, who launched a 30-footer that swished through for the winning points. M.L. Carr missed a desperation jumper at the buzzer for Boston.

Spencer Haywood added 26 points for Washington, and Jeff Ruland had 19. Boston was paced by Larry Bird with 26 and Kevin McHale with 20.

The Celtic coach, Bill Fitch, praised Johnson for the effort but also thought the rookie had some luck. "You've got to admit it was a great shot," Fitch said. "He got off a lofted prayer and it was answered."

Gene Shue, coach of the Bullets, said: "The ball was in Frank's hands and he delivered. He's the best with the ball in that situation. We played so well we wanted to win it right there."

* * *

In Seattle, Gus Williams scored 34 points and Fred Brown helped pick up a sluggish Seattle offense in the second quarter to spark the SuperSonics to a 114-99 triumph over the Spurs. The series stands even at 1-1, and the two teams were in travel in San Antonio, Texas, for Games 3 and 4 on Friday and Sunday.

Jack Sikma added 26 points and Lonnie Shelton finished with 15 for the Sonics, who shot 51 percent from the field for the game. George Gervin led the Spurs with 24 points.

* * *

In Inglewood, Calif., Kareem Abdul-Jabbar scored 24 points and Magic Johnson added 19 points, 12 rebounds and 12 assists to lead Los Angeles, giving the Lakers a 117-98 victory over the Suns and a 2-0 lead in their series. The third and fourth games were to be played in Phoenix, Ariz., Friday and Sunday.

Abdul-Jabbar scored 22 of his points in the first three periods, hitting 11 of 19 field-goal attempts. Johnson also had five steals to lead a tough Los Angeles defense that held Phoenix under 100 points for the second consecutive game.

Norm Nixon added 21 points for Los Angeles while Jamaal Wilkes had 19 and Michael Cooper contributed 16.

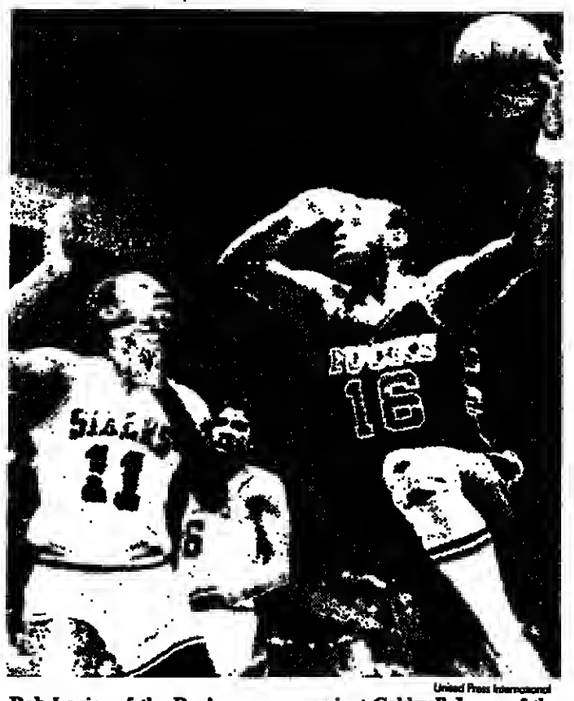
* * *

In Philadelphia, Andrew Toney scored 31 points and Julius Erving added 24 to spark the 76ers to a 120-108 victory over the Bucks and a 2-0 advantage in their series, which was to move to Milwaukee for Games 3 and 4 Saturday and Sunday.

Toney scored 16 points and Erving 14 as the 76ers raced to a 57-44 halftime lead. The Bucks crept to within 67-61 on a basket by Marques Johnson with 5:32 left in the third quarter, but two baskets by Erving, one by Toney and back-to-back three-point plays by Bobby Jones and Caldwell Jones fueled a 20-9 surge during the remainder of the period and Philadelphia led, 87-70, entering the fourth quarter.

Bobby Jones added 13, Darryl Dawkins 12 and Caldwell Jones 10 for the 76ers. Brian Winters led Milwaukee with 21 and Marques Johnson and Mickey Johnson each added 19.

NBA PLAYOFFS



United Press International

Bob Lanier of the Bucks goes up against Caldwell Jones of the 76ers in the NBA Playoffs. The 76ers won the game, 120-108.

El Baba Established As Kentucky Favorite

United Press International

LOUISVILLE, Ky. — El Baba, winner of the Louisiana Derby, and Air Forbes Won, champion in the Wood Memorial, drew favorable post positions Thursday and were established as the early favorites to win Saturday's 108th running of the Kentucky Derby.

Cupecoy's Joy, the only filly in the 20-horse field, drew the rail position, a spot that will insure her status as a Derby starter. "That a girl," said Roberto Perez, the owner. "She's in. You can't pray for better than that."

El Baba, who will be ridden by Don Brumfield as the 5-2 favorite on the morning line, drew the No. 4 post, and Air Forbes Won, with Angel Cordero up, drew the No. 7 position as the 7-2 second choice.

Speed on Inside

"I'm very pleased," said Dewey Smith, El Baba's trainer. "We've got a lot of speed on the inside and that will carry us away from the crowd. We just didn't want to be on the extreme outside."

Muttering, the winner of the Santa Anita Derby earlier this month, landed the No. 11 post and was labeled a 4-1 third choice under Laffit Pincay.

The complete order of the Derby field, starting from the rail, will be: Cupecoy's Joy, Bold Style, New Discovery, El Baba, Royal Roberto, Wavering Monarch, Air Forbes One, Laser Light, Music Leader, Reinvested, Muttering, Real Dare, Rock Steady, Water Bank, Rockwall, Wolfie's Rascal, Star Gallant, Cassaleria, Gato Del Sol and Majesty's Prince.

Those inclined to witticism have already applied their craft; the 108th running of thoroughbred racing's most prized contest has been dubbed "The Demolition Derby."

Early Misfortunes

The road to Churchill Downs has been a rugged one for some of the nation's finest 3-year-olds. Timely Writer's battle with colic, Hostage's fraetured sesamoid bone and the decision to hold back Linkage for the Preakness has cost the Kentucky Derby some creditable performers.

The misfortunes of those colts, all from the East and each considered a favorite at one time to win Saturday's "Limp for the Roses," also has placed emphasis on the strong California contingent of Muttering, Cassaleria, the one-eyed wonder, and Gato Del Sol.

As in last year's Derby, which drew 21 starters after a court deemed Churchill's now modified 20-horse rule to be illegal, trainers of this year's Derby prospects were most concerned with post positions and a bruising stampede out of the starting gate.

"Anything can happen when they shake those pills," said Smith of the draw. "You don't know which one is coming up. You don't want to be too far outside or you sure can get hung up. Wherever they put us, we've got to go."

Awaiting the Draw

While most owners and trainers resigned themselves to any post position, having come this far at such great expense, there were some who would not leave the barn with an unfavorable starting spot.

"We couldn't have a filly running from post position 19," said Perez, who insisted that the granddaughter of 1964 Derby winner Northern Dancer would have skipped the first leg of the Triple Crown if she drew a post wider than No. 11.

After a 1¼-mile gallop Wednesday, trainer Len Imperio confirmed that Bill Shoemaker will handle Star Gallant, a small sprinter who may have a problem with the 1¼-mile Derby distance.

"Bill should fit this horse perfectly," Imperio said. "With the big field, Shoemaker's experience will be important. I think my horse is the best. I'm not even worried."

The Field

Horse	Jockey	Odds
1. f-Cupecoy's Joy	Santiago	8-1
2. Bold Style	Fell	15-1
3. f-New Discovery	Bailey	8-1
4. El Baba	Brumfield	5-2
5. Royal Roberto	Rivera	20-1
6. Wavrng Mnrch	Romero	15-1
7. Air Forbes Won	Cordero	7-2
8. Laser Light	Maple	30-1
9. f-Music Leader	Day	8-1
10. f-Reinvested	MacBeth	8-1
11. Muttering	Pincay	4-1
12. f-Real Dare	Guidry	8-1
13. f-Rock Steady	Romero	8-1
14. a-Water Bank	Castaneda	20-1
15. Rockwall	Valdivieso	30-1
16. f-Wolfie's Rascal	Velasquez	8-1
17. Star Gallant	Shoemaker	8-1
18. a-Cassaleria	McHargue	20-1
19. Gato del Sol	Delahoussaye	10-1
20. f-Majesty's Prnc	Hernandez	8-1

a-Ron McAnally trained entry
f-Mutuel field

1, RI Ma Ro Stable. 2, Len Mever. 3, Herbert Allen. 4, Mrs. Joe W.Brown. 5, Key West Stable. 6, John, John Jr. & David Greathouse. 7, Edward Anchel. 8, Live Oak Plantation. 9, C.W. Glesar. 10, Harbor View Farm. 11, Parkton Stable. 12, J.E. Jumonville. 13, Russ Michael Jr. 14, Elmendorf. 15, Nelson Bunker Hunt. 16, Wolfie-Cohen. 17, Buckram Oak Farm. 18, 20-20 Stable. 19, Arthur B. Hancock III & Leone J.Peters. 20, J.D. Marsh.

1, Alfredo Calleiras. 2, Jack Van Berg. 3, Eugene Jacobs. 4, Dewey Smith. 5, James Iselin. 6, George Arnold. 7, Frank LoBocchito. 8, Patrick Kelly. 9, Rick Brasher. 10, Stanley Hough. 11, D.Wayne Lukas. 12, John C.Mabry. 13, Ronnie Warren. 14, Ron McAnally. 15, Vincent Clyne. 16, Howard M.Tesher. 17, Leonard Imperio. 18, Ron. McAnally. 19, Edwin Gregson. 20, Joseph V.Campey.

Weights: 126 pounds each with the exception of: Cupecoy's Joy, (filly) 121.

Purse: $527,600 with 20 starters. First — $422,600; Second — $60,000; Third — $30,000; Fourth — $15,000.

McRae Drives Royals Past the Red Sox, 8-5

From Agency Dispatches

BOSTON — Hal McRae drove in five runs with a homer and a double Wednesday night to lead the Kansas City Royals to an 8-5 victory over Boston, snapping the Red Sox' eight-game winning streak.

The Royals jumped on the Red Sox starter and loser, John Tudor (3-1), in the first inning. George Brett, playing left field for the first time in his major league career, hit a two-out double. Amos Otis followed with a walk, and McRae hit Tudor's 0-2 pitch off the right-field foul pole for his fourth homer of the season. Dennis Werth and Greg Pryor also had RBI singles in the inning.

Dennis Leonard (2-1) went the distance for the victory.

The Red Sox pulled to 5-2 in the bottom of the inning. Jim Rice's single scored Jerry Remy, who had walked, and Dwight Evans came around on Glenn Hoffman's infield out.

The Royals made it 8-2 in the second inning. Brett reached base on Remy's error, and Otis singled to precede McRae's two-run double. McRae then scored on Frank White's single to left.

Boston scored two more in the second on RBI doubles by Rick Miller and Gary Allenson, and added its final run in the third on Dave Stapleton's sacrifice fly.

Yankees 6, Angels 0

In New York, Tommy John (1-3) pitched a six-hitter for his first victory of the season, and Ken Griffey, Oscar Gamble and Dave Winfield hit consecutive RBI doubles in the third inning, leading New York to a 6-0 triumph over California.

The loss ended the Angels' four-game winning streak and also marked only the third time in the last 13 games that California pitchers have allowed more than two runs.

Blue Jays 6, Rangers 4

In Toronto, Rance Mulliniks delivered a two-run pinch-hit single in the seventh inning to lift Toronto to a 6-4 triumph over Texas and extend the Rangers' losing streak to six games. Jim Clancy (1-2) earned his first victory since last Sept. 19, scattering nine hits over seven innings.

Indians 6, Mariners 1

In Cleveland, Rick Manning and Jack Perconte knocked in two runs each in a six-run first inning to help Cleveland snap a four-game losing streak with a 6-1 trouncing of Seattle. The Indians chased rookie right-hander Mike Moore (1-3) by sending 10 batters to the plate in the first inning.

Brewers 2, White Sox 1

In Milwaukee, Jim Gantner collected two of four hits allowed by Britt Burns, and his second single of the game drove in the winning run in the seventh inning as Milwaukee edged Chicago, 2-1. Ben Oglivie hit his fifth homer of the year for Milwaukee.

Twins 4, Tigers 2

In Minneapolis, Gary Gaetti hit a two-run homer, and Randy Johnson added a bases-empty shot to propel Minnesota to a 4-2 victory over Detroit. Pete Redfern (2-2) yielded seven hits in six innings. Ron Davis cleaned up for his second save. Howard Johnson hit his first major-league homer in the sixth for the Tigers.

A's 6, Orioles 2
Orioles 5, A's 1

In Baltimore, Cliff Johnson hit a two-run homer and Dwayne Murphy drove in three runs with a home run and single to back the five-hit pitching of Mike Norris and lift Oakland to a 6-2 triumph over Baltimore in the first game of a doubleheader. In the nightcap, John Lowenstein and Eddie Murray hit home runs in support of Scott McGregor's five-hitter to pace the Orioles to a 5-1 victory.

Cubs 6, Reds 0

In the National League, at Chicago, Dickie Noles, acquired from Philadelphia with pitcher Dan Larson and catcher Keith Moreland for pitcher Mike Krukow during the off season, allowed only a fourth-inning single to Eddie Milner in pitching Chicago to a 6-0 victory over Cincinnati for his first major-league complete game and shutout.

Giants 7, Expos 0

In San Francisco, Bill Laskey, who came to the Giants with Rich Gale from Kansas City for Jerry Martin, beat Montreal, 7-0, on three hits in his initial major-league start. Laskey not only pitched superbly but also recorded his first big-league hit and initial RBI.

Cardinals 5, Astros 4

In St. Louis, David Green's two-run single capped a four-run sixth to carry Bob Forsch and the Cardinals to a 5-4 triumph over Houston. The victory snapped the Cardinals' three-game losing streak. St. Louis had managed just one run and three hits off Joe Niekro and trailed, 3-1, entering the sixth.

Braves 7, Pirates 6

In Atlanta, shortstop Dale Berra booted Bob Watson's soft grounder with two out in the 10th, allowing the winning run to score from third base and enabling the Braves to snap a five-game losing streak with a 7-6 victory over the Pirates.

Phillies 9, Dodgers 3

In Los Angeles, second baseman Luis Aguayo led off a six-hit, six-run outburst in the ninth with a double, and Pete Rose went 5-for-5 in leading Philadelphia to a 9-3 victory over Los Angeles. Rose, in singling in his first three at-bats, reached 5,102 total bases, one ahead of Tris Speaker for eighth place on the all-time list.

Mets 5, Padres 4

In San Diego, Mookie Wilson tripled and scored on a sacrifice fly by Bob Bailor in the 15th, helping New York snap San Diego's 11-game winning streak with a 5-4 victory. The decision also broke a 10-game losing streak in San Diego for the Mets, whose last victory at Jack Murphy Stadium occurred on July 21, 1979.

Hal McRae

BASEBALL ROUNDUP

Wednesday's Baseball Line Scores

AMERICAN LEAGUE

First Game

Oakland	020 020 110	6	8	1
Baltimore	200 000 000	2	5	1

Norris and Heath; Flanagan, Stanhouse (7) and Nolan. W—Norris, 1-2. L—Flanagan, 0-3. HRs—Oakland, C.Johnson (2), D.Murphy (3).

Second Game

Oakland	001 000 000	1	5	1
Baltimore	201 101 00x	5	6	0

Keough and Newman; McGregor and Dempsey. W—McGregor, 1-2. L—Keough, 2-2. HRs—Baltimore, Lowenstein (1), E.Murray (5).

Texas	001 010 200	4	10	2
Toronto	000 030 30x	6	8	2

Tanana, Darwin (7) and Sundberg; Clancy, J.McLaughlin (8) and B.Martinez, Whitt (8). W—Clancy, 1-2. L—Tanana, 1-3. HRs—Texas, Bell (7), Mazzilli (2).

Kansas City	530 000 000	8	12	0
Boston	221 000 000	5	9	1

Leonard and Wathen; Tudor, Burgmeier (3), Clear (8), Aponte (9) and Allenson. W—Leonard, 2-1. L—Tudor, 3-1. HR—Kansas City, McRae (4).

Seattle	000 001 000	1	4	1
Cleveland	600 000 00x	6	9	0

M.Moore, B.Clark (1), Andersen (8) and Essian; Barker, Brennan (8) and Hassey. W—Barker, 3-1. L—M.Moore, 1-3.

California	000 000 000	0	6	2
New York	200 000 03x	4	9	0

Forsch, Hassler (3), Bohnsen (5), Sanchez (7), Kison (8) and Boone; John and Cerone. W—John, 1-2. L—Forsch, 2-2.

Chicago	000 010 000	1	7	1
Milwaukee	000 100 10x	2	4	0

Burns and Fisk; Caldwell, Pinders (7) and Simmons. W—Pinders, 2-2. L—Burns, 3-1. HR—Milwaukee, Oglivie (5).

Detroit	000 001 001	2	9	1
Minnesota	010 200 00x	4	7	0

Petry, Rozema (4), Seas (7) and Parrish; Redfern, R.Davis (7) and Sebera. W—Redfern, 2-2. L—Petry, 2-2. HRs—Detroit, H.Johnson (1). Minnesota, R.Johnson (5), Gaetti (4).

NATIONAL LEAGUE

Houston	100 011 010	4	10	1
St. Louis	000 014 00x	5	6	0

Hlskra, D.Smith (6), LaCorte (6), Moffitt (8), and Ashby; Forsch, Sutter (8) and Porter. W—Forsch, 4-0. L—D.Smith, 0-2.

Cincinnati	000 000 000	0	7	1
Chicago	001 030 20x	6	10	0

Seaver, Edelen (6), Leibrandt (8) and Trevino; Noles and Moreland. W—Noles 3-2. L—Seaver, 0-3.

Montreal	000 000 000	0	3	0
San Francisco	000 301 30x	7	14	0

Gullickson, Lee (5), James (7), Fryman (8) and Blackwell; Laskey and Ransom. W—Laskey, 1-0. L—Gullickson, 1-1.

Pittsburgh	005 000 001	6	13	2
Atlanta	000 102 030	7	10	0

Solomon, Maskau (6), Scurry (8), Tekulve (10) and T.Pena; Niekro (10). P.Niekro, McWilliams (6), Alvarez (7), Garber (8), Camp (10) and Benedict. W—Camp, 4-1. L—Scurry, 1-1. HRs—Atlanta, Washington (1), Murphy (5).

New York	010 021 000	000 001	5	13	4
San Diego	102 100 000	000 000	4	6	1

Rs.Jones, Swan (6), Allen (9), Palocios (11) and Stearns; Montefusco, Boone (6), DeLeon (10), Chiffer (10), Lucas (12) and Kennedy. W—Palcone, 2-0. L—Lucas, 0-1. HR—New York, Stearns (2).

Philadelphia	000 200 036	9	16	2
Los Angeles	001 002 000	3	12	1

Krukow, Reed (7), Lyle (8), Farmer (8) and Diaz; Welch, Niedenfuer (8), S.Howe (8), Stewart (9), A.Pena (9) and Scioscia. Yeager (9). W—Farmer, 1-1. L—S.Howe, 1-1.

Major League Standings

NATIONAL LEAGUE

East

	W	L	Pct.	GB
St. Louis	14	4	.700	—
Montreal	9	4	.600	2½
New York	10	8	.556	3
Pittsburgh	7	9	.438	5
Chicago	7	12	.368	6½
Philadelphia	5	12	.294	7½
West				
Atlanta	14	5	.737	—
San Diego	12	5	.706	1
Los Angeles	9	10	.474	5
San Francisco	7	11	.389	6½
Houston	8	13	.381	7
Cincinnati	7	12	.368	7

AMERICAN LEAGUE

East

	W	L	Pct.	GB
Detroit	12	7	.632	—
Boston	12	7	.632	—
Milwaukee	9	7	.563	1½
Cleveland	7	9	.438	3½
New York	7	9	.438	3½
Toronto	7	11	.389	4½
Baltimore	5	11	.313	5½
West				
California	14	6	.700	—
Chicago	10	7	.588	2½
Kansas City	10	7	.588	2½
Seattle	10	11	.476	4½
Oakland	9	11	.450	5
Minnesota	8	13	.381	6½
Texas	6	10	.375	6

Transactions

BASEBALL

American League

MINNESOTA TWINS—Sent Dave Engle, outfielder, to Toledo of the International League. Called up Randy Bush, designated hitter, from Toledo.

National League

CHICAGO CUBS—Recalled Hector Cruz, outfielder, from Iowa of the American Association. Sent Herman Segelke, pitcher, to Iowa.

LOS ANGELES DODGERS—Traded Leo Hernandez, infielder, to the Baltimore Orioles for Jose Morales, catcher. Optioned Ron Roenicke, outfielder, to Albuquerque of the Pacific Coast League.

FOOTBALL

Canadian Football League

CFL—Announced the retirement, effective Aug. 1, of Gordon Walker, director of information and media relations.

National Football League

CLEVELAND BROWNS—Traded Lyle Alzado, defensive end, to Oakland for the Raiders' eighth-round pick in the 1982 draft. Traded Greg Pruitt, running back, to the Oakland Raiders for future draft considerations.

DETROIT LIONS—Traded Luther Bradley, defensive back, to Houston for the Oilers' 1982 seventh round draft pick.

NEW ENGLAND PATRIOTS—Traded Rod Shoate, linebacker, to Chicago for the Bears' fifth-round choice in next year's draft.

NEW ORLEANS SAINTS—Traded their ninth 10th, 11th and 12th-round 1982 draft picks and an eighth-round pick they acquired from San Francisco to Washington for the Redskins' fourth-round pick next year.

HOCKEY

National Hockey League

MONTREAL CANADIENS—Signed Guy Carbonneau, center, to a two-year contract.

NHL Playoffs

CONFERENCE FINALS
(Best-of-seven)

WALES CONFERENCE
N.Y. Islanders vs. Quebec
Islanders lead series, 1-0)

Apr. 27 — N.Y. Islanders 4, Quebec 1
Apr. 29 — Quebec at N.Y. Islanders
May 1 — N.Y. Islanders at Quebec
May 4 — N.Y. Islanders at Quebec
x-May 6 — Quebec at N.Y. Islanders
x-May 8 — N.Y. Islanders at Quebec
x-May 11 — Quebec at N.Y. Islanders

CAMPBELL CONFERENCE
Chicago vs. Vancouver
Vancouver leads series, 1-0)

Apr. 27 — Vancouver 2, Chicago 1 (2 OT)
Apr. 29 — Vancouver at Chicago
May 1 — Chicago at Vancouver
May 4 — Chicago at Vancouver
x-May 6 — Vancouver at Chicago
x-May 8 — Chicago at Vancouver
x-May 11 — Vancouver at Chicago
x-If necessary

Dodgers Waive Goltz, Must Pay $1.5 Million

United Press International

LOS ANGELES — Dave Goltz, who signed a six-year contract worth $3 million two years ago, has been placed on waivers by the Los Angeles Dodgers for the purpose of giving him his unconditional release.

The Dodgers must pay Goltz the remaining $1.5 million on his contract — for the 1983-84-85 seasons. It is believed to be the largest contract buy-out in baseball history, eclipsing the Dodgers' $1.36-million payoff to pitcher Don Stanhouse last year.

Dodgers Acquire Morales

The Associated Press

LOS ANGELES — The Los Angeles Dodgers have traded minor league third baseman Leo Hernandez to the Baltimore Orioles for pinch-hitter José Morales. In his eight major league season, Morales, 37, has 99 career pinch-hits as the leading active pinch-hitter in the major leagues.

Hints of Compromise in Auto Racing

The Associated Press

CASABLANCA, Morocco — The toughest problems of the Grand Prix racing crisis went under discussion Thursday with hints of compromise in the air.

The Executive Committee of the International Auto Sports Federation opened debate on the validity of a recent decision by the sports's highest court of appeal. It also was tackling the subsequent boycott of last Sunday's San Marino Grand Prix hy most independent teams and possible immediate new safety measures for the cars.

The tribunal decision was "wrong, wrong, wrong, and it just has to be changed," Bernard Ecclestone, president of the Formula One Constructors Association of independent racing teams, said before the meeting opened. "We say the tribunal made a new rule, and it's is not empowered to do so. If it is upheld, there could be new rules any time."

Eeclestone contested the disqualificaiion of his driver, Nelson Piquet, from winning the Brazilian Grand Prix. "You can't make a new rule and then say — you're under arrest because you broke a law in March we invented in April," he said.

Balestre's Argument

The tribunal ruled that Ecclestone's Brabham racer and the second placed Williams of Keke Rosberg were underweight because they topped up excessively with oil and water after the race to make the minimum legal weight.

But the tribunal said it was not empowered to knock out many other cars using the same system because they were not officially challenged.

The committee will hear an argument from the chairman of French auto racing, Jean-Marie Balestre, who is also president of FISA, that they should all be eliminated.

Under his FISA hat Balestre changed his public position over the last week. He had backed a challenge to the tribunal, but Wednesday pledged to uphold its decision.

FOCA teams say they were legally using a loophole to build lighter cars to stay competitive with the more powerful turbo-engined cars of Renault and Ferrari, which initiated the tribunal bearing.

There were varying views as to whether the tribunal's ruling could be overturned.

Compromise suggestions included setting a maximum figure of topping-up fluids allowed, and imposing a face-saving minor penalty in place of disqualification for the two teams.

On Wednesday the Executive Committee approved proposals by Balestre to study new Grand Prix rules from 1983 that would increase safety and lower fuel consumption to reduce the advantage of the turbo-engine teams.

He failed to get a majority for immediate agreement to change, but was trying separately Thursday under urgent saftey procedures to get changes in he cars to slow their cornering speeds.

Observers said that Wednesday he had thrown the major dispute over the advantage of turbo engines back to the teams themselves to sort out in committee by September.

Canadians Beat Swedes in Hockey

United Press International

HELSINKI — Wayne Gretzky shot three goals and claimed two assists as Team Canada beat Sweden, 6-0, Thursday to keep the Canadian hopes alive for a silver medal in the World Hockey Championships.

"This is the best Canadian team I have seen in years," said the Swedish coach, Anders Parmstrom. "It was a fair and clean game. Our boys were mentally and physically tired after nine games and could not shake the Canadians this time."

Later Thursday the Soviet Union and Czechoslovakia were to play the last game of the eight-nation tournament. A win or a tie for Czechoslovakia would put them in second place ahead of Canada. The Soviet Union already clinched its 18th title, while Sweden remains in fourth place.

1984 Canada Cup

HELSINKI (UPI) — Alan Eagleson, director of the NHL Players Association, has announced that the next Canada Cup Hockey Tournament will be staged in September, 1984, in a series of Canadian cities.

"The concept will be the same," Eagleson said. "The top four European countries of the 1983 world championships will be invited, along with the United States and Canada. "There will be a single round robin. No decision has been made yet as to the finals. A best of three final series would be a possibility."

Eagleson said details would be settled at the summer congress of the International Ice Hockey Federation in Nice.

Baseball Leaders

NATIONAL LEAGUE
(Based on 35 AB-Bats)

	G	AB	R	H	Pct.
Woods, Chicago	13	42	6	17	.405
Landreaux, L.A.	19	76	17	29	.382
Green, St. Louis	19	77	6	14	.378
Gardenhire, N.Y.	18	49	7	18	.367
Moreland, Chicago	19	71	9	26	.366
Lezcano, San Diego	17	68	13	24	.353
J. Thompson, Pittsburgh	16	63	14	22	.349
May S.F.	12	38	4	13	.342
Ru. Jones San Diego	14	44	16	15	.341
Concepcion, Cincinnati	18	69	8	23	.333
Morgan S.F.	14	48	6	16	.333

Home Runs

Kingman, NewYork, 7; J. Thomsen, Pittsburgh, 6; Moreland, Chicago, 5; Horner, Atlanta, 5; Murphy, Atlanta, 5.

Runs Batted In

Murphy, Atlanta, 20; J. Thompson, Pittsburgh, 18; Kingman, New York, 17; Lezcano, San Diego, 16; Moreland, Chicago, 15; Buckner, Chicago, 15; K. Hernandez, St. Louis, 15.

Pitches (2 Decisions)

Forsch, St.Louis, 4-0, 1.000; Welch, Los Angeles, 3-0, 1.000; Show, San Diego, 3-0, 1.000; Reardon, Montreal, 3-0, 1.000; Falcone, NewYork, 2-0, 1.000; Tekulve, Pittsburgh, 2-0, 1.000; Mahler, Atlanta, 2-0, 1.000; Chitter, San Diego, 2-0, 1.000; Curtis, San Diego, 2-0, 1.000.

AMERICAN LEAGUE
(Based on 35 AB-Bats)

	G	AB	H	H	Pct.
E. Murray, Baltimore	16	62	9	29	.468
Cooper, Milwaukee	16	67	9	28	.418
Iorg, Toronto	14	37	3	15	.405
Herrah, Cleveland	16	60	15	24	.400
R. Johnson, Minnesota	16	58	9	23	.397
Yount, Milwaukee	11	36	5	14	.389
Cabell, Detroit	18	74	8	28	.378
Thornton, Cleveland	16	61	14	23	.377
Martin, K.C.	17	57	8	21	.368
G. Wilson, Detroit	12	36	8	13	.361

Home Runs

Hrbek, Minnesota, 8; Downing, California, 7; E. Murray, Baltimore, 5; Yastrzmski, Boston, 5; Herrah, Cleveland, 5; Thornton, Cleveland, 5; Oglivie, Milwaukee, 5; R.Johnson, Minnesota, 5.

Runs Batted In

Hrbek, Minnesota, 20; Oglivie, Milwaukee, 18; Thornton, Cleveland, 17; E. Murray, Baltimore, 16; Meier, Seattle, 16.

Pitching (2 Decisions)

Hoyt, Chicago, 4-0, 1.000; Zahn, California, 3-0, 1.000; F. Bannister, Seattle, 3-0, 1.000; Caudill, Seattle, 3-0, 1.000; Aponte, Boston, 2-0, 1.000; Morgan, New York, 2-0, 1.000; Sanchez, California, 2-0, 1.000; Witt, California, 2-0, 1.000; Williams, Minnesota, 2-0, 1.000; Darwin, Texas, 2-0, 1.000.

Raiders Get Pruitt From the Browns

United Press International

CLEVELAND — The Cleveland Browns have sent running back Greg Pruitt to the Oakland Raiders for unspecified "future considerations," in the second of two trades this week between the National Football League teams.

Earlier, Lyle Alzado was swapped to the Raiders for an eighth-round draft choice. The Browns also sent inside linebacker Robert L. Jackson to the Denver Broncos for a sixth-round pick.

Coach Sam Rutigliano said the trades were made as part of a decision to go with younger players. Pruitt, a second-round draft choice in 1973, had three 1,000-yard seasons. Though a serious knee injury in 1979 nearly destroyed his ability as a rusher, he won several games in recent years as a pass receiver coming out of the backfield.

China Fails to Enter Taiwan Softball Event

The Associated Press

OKLAHOMA CITY — China is not among the 23 countries that have accepted invitations to the fifth Women's Softball Tournament July 2-11 in Taiwan, according to Don Porter, secretary-general of the International Softball Federation.

Taiwan has insisted on the right to raise the nationalist Chinese flag and play the nationalist anthem during the opening ceremonies. China, which has not sent a delegation to Taiwan since the Communist takeover of the mainland in 1949, said it could not field a team if the flag were raised or the anthem played.

Borg Winning in Egypt

United Press International

CAIRO — Björn Borg beat Ismail El-Shafei, 6-4, 6-2, Thursday in the four-master $130,000 championship organized by the Egyptian Lawn Tennis Federation. Peter McNamara beat Vitas Gerulaitis, 6-2, 6-3, and was to meet Borg in Friday's final.

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(Continued from Back Page)

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Observer

Paging Kissinger

By Russell Baker

NEW YORK — Nobody knows how to get on with it anymore. Henry Kissinger, for example. For years people have been calling Kissinger "brilliant," and maybe he is, but if so why does his latest book of memoirs run on for 1,283 pages?

If you're brilliant you ought to be able to get on with it, shouldn't you? I don't call 1,283 pages getting on with it, especially since Kissinger's book covers only a year and a half of his career. His first volume, covering four years, was just as long, and there are more years to come. Many more.

Baker

* * *

Nowadays though, people don't apologize for being unable to turn themselves off. Inflicting tedium is the modern habit and, brilliant or not, Kissinger has been infected with it. Gibbon's "Decline and Fall of the Roman Empire" is my idea of a truly monumental book, a genuine soul crusher not to be undertaken until you have a year or two with nothing else to do. Checking my edition, I find that Gibbon covered more than 1,000 years of territory in 1,170 pages, or 113 fewer pages than it takes Kissinger to cover a year and a half.

I doubt there are a hundred people in the whole country right now who are reading "The Decline and Fall of the Roman Empire," and why should there be? There are only 24 hours in the day. Yet the book shops on Fifth Avenue are stocking the Kissinger memoir in warehouse lots, and it is selling by the ton.

Are all these buyers really going to read it?

The new idea is that if it doesn't take forever it can't be much good. The old notion that brevity is the essence of wit has succumbed to the modern idea that tedium is the essence of quality.

When television films a book it goes on and on until the audience is too groggy to beg for mercy. Not long ago we had the TV version of "Brideshead Revisited," a very good small book which could be read in two evenings.

It's the sort of book David O. Selznick used to condense into a two-hour movie, on the humane assumption that life was too short to expect audiences to spend two nights of it in the Bijou watching a small show. On television it ran 12 hours and was drawn out over 11 weekly installments.

If Selznick had produced "Gone With the Wind" at this pace, you would have had to sit in the Bijou from the time Hitler invaded Poland until the election of Lyndon Johnson to see it all. It was considered remarkable that Selznick actually let it run 3 hours and 45 minutes, since few Americans were thought sufficiently torpid to spend that much of their lives on a single film.

You keep hearing how life is so much fuller and more complicated than it used to be and how nobody has enough time to keep up with it these days. If so, why do network news shows take 30 minutes every night to broadcast a collection of headlines we could absorb by scanning a front page in 20 seconds? For the same reason Kissinger takes 1,283 pages to deal with material Gibbon would have disposed of in three pages. Because nobody knows how to get on with it anymore, that's why.

* * *

One of the worst cases is the government's war division. Can you imagine any government of the present age getting itself in shape to win the Battle of Midway six months after Pearl Harbor and to land an army of invasion in North Africa five months later?

Nowadays, I suspect, we'd need at least a year just to decide how big a tax break to give corporations for converting to ship and tank construction, and another five years to find out why the ships and tanks weren't quite ready yet.

Meanwhile of course the government would be scolding the public for impatience, and reminding it that Rome was not built in a day, and telling it to remain hard-nosed toward the enemy, and show plenty of will, and be prepared for great tests of endurance.

I think the Japanese would set up shop in Detroit 40 years ahead of schedule. I think when Kissinger took 1,283 pages to Mitsubishi, Little & Brown, they would tell him, "Sorry, Professor, but we have never been interested in gas guzzlers."

New York Times Service

'Raymond': Retracing His Wartime Spy Trail

By Meg Bortin
International Herald Tribune

PARIS — In a few days "Raymond" will re-enter Fresnes prison in the suburbs of Paris, to retrace the steps that led him, as an intelligence operative for the Belgian underground during World War II, on multiple missions across Spain, France and Belgium. He headed a network of 1,750 agents until his capture by the Nazis in 1943.

"I was condemned to die five times," said "Raymond," who has since resumed his original identity as Gaston Vandermeerssche. "This is my second life."

Today, Vandermeerssche, is a successful scientist and businessman living in the United States who was appointed honorary French consul to Milwaukee last fall. France awarded him two Croix de Guerre medals for his services during the war.

He bears little resemblance to the shadowy figure who secretly carried microfilms over the Pyrenees into Spain by night and made weekly runs north to the Dutch border hidden under the backseat of a rickety Peugeot.

His visit to Fresnes, where he was held by the Nazis, comes midway through a two-week odyssey that will take him back to the desolate mountain wilderness near Andorra where he created a clandestine passage route into Spain; to the fortress in Perpignan, near the Spanish border, where he was held for three weeks as the Nazis tried to establish he was "Raymond"; to the Rhone valley near Châlons-sur-Saône, where he first crossed into unoccupied France; to his home town of Ghent, where, just after the outbreak of war, he distributed underground newspapers, and to Haaren, Holland, where he was reported to have been shot at dawn as one of 48 foreign agents found guilty of espionage against Hitler's Germany.

At Haaren on May 9, Vandermeerssche will be reunited at a ceremony with three dozen former agents: in the Hague on May 10, a date that recurs in Vandermeerssche's life, he will have an audience at Soestdijk Royal Palace with Prince Bernhard of the Netherlands.

Interviewed by telephone at his home in a Milwaukee suburb last week, Vandermeerssche, a genial, resilient man of 60, said he was returning to Europe to recover long-forgotten details for a book he plans to write.

"Before the war I had read a book about the Dame Blanche, an intelligence network that worked during World War I. It left a mark on my soul.

"My memory is still sharp. In World War II, I was one of thousands. I owe it to all the other agents to tell this story."

●

1940 WHEN the war reached Belgium in 1940, Gaston Vandermeerssche was 19, a student of physics and mathematics at the University of Ghent. The German invasion caught neutral Belgium unprepared, and on May 10, radio messages instructed all men between the ages of 16 and 45 to head to southern France to mobilize under the exiled Belgian command.

Gaston and six friends used four bicycles to do the 800-mile journey south — three of them riding on the handlebars — among a crush of frantic, fleeing civilians. German planes strafed the refugees from overhead.

"It was just a debacle," he recalled. "We had no money, no food, nothing to drink." Finishing the journey as freeloaders on freight cars, the seven reached Toulouse, where they were sent to a commandeered castle at nearby L'Isle Arne.

Gaston was put in charge of a platoon of 150 men. He also met the camp commander's daughter, Violette, who became his wife after the war.

A month and a half later, the Germans issued orders for all Belgian and Dutch nationals who had left their homes to return or face penalties against their families.

"They organized trains to take us back to the occupied zones. When we got there, the Germans received us very pleasantly, saying we would be better off with them. They had a good propaganda system, talking of a new order, unifying the world — it sounded perfect."

When he resumed his university studies, Vandermeerssche found that "French was out, English was out and studying German was required." Jews were forced to wear yellow stars, and the first stories of deportation began filtering through. "We began thinking, where's our freedom?"

He toyed with the idea of joining the underground but was afraid to mention it to his family or friends. Finally, he confided in his mother, who provided cover for him when he went out distributing copies of the clandestine newspaper Libre Belgique, stuffing them into mailboxes in defiance of the nighttime curfew.

"We faced the death penalty if we were caught with the papers, which was a good thing because it strengthened our nerves for what came later," he said.

By autumn of 1940, Vandermeerssche was seeking passage to England. He never got there. In November, some students were arrested for distributing the papers. A comrade who escaped managed to notify Vandermeerssche's mother of the impending arrests. "I never said goodbye to my father or sister, I just left with a toothbrush," he recalled. After hiding for several days at the home of an elderly aunt, he crossed the French border in a truck, hidden among rolls of textiles.

He spent several months in the Tourcoing-Roubaix region of northern France, working in a café and trying to find someone to help him reach unoccupied France. With a small group, he finally crossed over through a wooded area near Châlons-sur-Saône, under Nazi gunfire.

Reaching Toulouse, he was sheltered by the owners of the L'Isle Arne castle. He made contact with the Belgian mission — now cooperating no longer with Brussels, but with the free government in London. He was made a lieutenant, and was given his first mission: to find a route through the Pyrenees to the Belgian mission in Barcelona.

He had three weeks to learn Spanish before crossing the border as a Spaniard with a fake safe-conduct pass. "I never had a gun at that time," he recalled. "The principle was, your weapon is your brain."

Under his first assumed name, Pierre Duval, he was part of an intelligence network that ran microfilms of military documents from the northern occupied zones to the Belgian embassy in Barcelona for transport to London. He returned with funds and instructions for the network chiefs.

After several months as a courier in the Pyrenees, Vandermeerssche, who had now adopted the alias Raymond, won his second mission from the Belgian central command: to create lines of evacuation for couriers from various underground networks throughout the occupied zones.

●

1943 BY MID-1942, Raymond was picked by the Belgian Special Operations Executive at the request of Queen Wilhelmina of the Netherlands, to reorganize the splintered Dutch underground.

He directed 1,750 agents in Holland, Belgium, France and Spain in this network, codenamed WIM after the queen. In May, 1943, neighbors of a man who was hiding him denounced him to the Germans for trafficking in black market butter. The "butter" was in fact packages of microfilm that Raymond had been checking on the eve of his first furlough to England in three years. Ambushed as he entered his safe house on May 10, 1943, he was not to see freedom again until the end of the war.

The Germans had been seeking Raymond for some time, and at first were sure they had him. But Vandermeerssche succeeded in concealing his identity through three days of beatings and interrogation, three weeks in the filthy fortress-prison at Perpignan and six months in jail in Fresnes. There, his disguise was finally unveiled when a double agent who had known him in the WIM network, but who also worked for the Gestapo, saw him in a prison hallway and identified him.

"At that point I had no choice. I sat down with them, and said, 'Okay, I'll tell you everything.' But really, I revealed nothing." Using information he had been fed by competing German intelligence branches in their attempts to make him talk, he managed to convince his captors that he was disclosing information about the Allied underground.

They took him by train to Scheveningen, Holland, where he was questioned for two nights, then taken to a top-security prison at Haaren. Several months later, Vandermeerssche was brought to trial in a highly publicized proceeding with 84 other agents known as the "Nacht und Nebel" (Night and Fog) prisoners.

More than half of the group was condemned to death, and newspapers carried reports that they had been shot at dawn. But the Germans, according to Vandermeerssche, did not want to kill intelligence chiefs whose knowledge might later prove useful.

A few weeks later, they were moved to Germany in trucks, first to Anrath, then to Lüttringhausen prison in the Ruhr valley. For nearly a year, the region was pounded by Allied bombings every night.

●

1945 IN MAY, 1945, on the eve of the Allied liberation sweep, the German prison director at Lüttringhausen received orders from Berlin to kill all the Night and Fog prisoners. Instead, the director drew up a list of German criminals, took them to the woods and used flamethrowers to reduce them to a pile of unidentifiable ashes. According to Vandermeerssche, "He knew we were spies; he did it to save his own neck when the Allies arrived."

On May 10, 1945, the U.S. Army liberated the prison. "We were too weak to stand up, but we were alive," said Vandermeerssche. He later discovered that he had been condemned to death five times by different German military courts.

Taken back to Belgium, reunited with his family and Violette, he finished his military service before being named one of three European representatives to tour the United States lecturing on his experiences to raise money for the World Students Service Fund. Vandermeerssche taught himself English on the boat trip over and stayed seven months, speaking at universities across the United States.

The experience convinced him that he wanted to settle in the United States. He completed a doctorate in physics, married Violette and moved across the Atlantic in 1948. He has worked since then in the United States, France and Belgium as a physics professor, corporate scientist and now as head of his own consulting firm in Milwaukee.

Vandermeerssche is still a Belgian citizen, although at one time he contemplated U.S. nationality. "I consider myself a citizen of the world," he added. "What counts is freedom, the human element. I have risked my life for this."

PEOPLE:

Stones to Mix Soccer With European Tour

The Rolling Stones will make a nine-nation European tour that will include performances in Spain during the World Cup soccer finals in June and early July. The tour will begin in Rotterdam on June 4, after which the group will play in Italy, Sweden, France, West Germany, Austria, Britain, Ireland and Spain. "We will be in Spain during the World Cup because we must see some football," said singer Mick Jagger. The Stones' two London dates, June 25 and 26, will be at the rarely used Wembley soccer stadium, which can hold 100,000 people.

Jagger

* * *

More than 46,000 well-wishers waving small Japanese flags flocked to the Imperial Palace in Tokyo Thursday to celebrate the 81st birthday of Emperor Hirohito, the world's longest reigning monarch. Appearing on a veranda with members of the imperial family, the slight, silver-haired Hirohito waved and said, "Thank you all for your kind greetings on my birthday. I am happy that so many of you came today. I hope continued happiness for you all." Hirohito became emperor on Christmas Day, 1926 at the age of 25 and was formally enthroned two years later. His 55-year reign is the longest in the history of the 2,600-year Chrysanthemum Throne, and he is the only emperor to have reigned past the age of 80.

* * *

Cleo Laine and **John Dankworth**, currently finishing up an Australian tour, will receive honorary degrees in music from Boston's Berklee School of Music on May 15.

* * *

Robert Redford pleaded guilty, through a lawyer, to speeding in Bedford, N.Y., and was fined $25. Redford had been on his way to see a man about a horse — he was visiting Paul Newman's horse farm in nearby North Salem, about 30 miles from New York City — when he was cited.

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$ 415,000 Brochure #IHT 3-59

Sun Valley, Idaho

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A year-round residence or vacation retreat, in exclusive Incline Village, providing spectacular views of Lake Tahoe, Schneeflockchen or Little Snowflake, comprises a delightful 8-room Bavarian chalet full of Old World charm and warmth. An authentic tribute to its origins, it features hand-fashioned woodwork, decorative tiling, and lively architectural detailing. Superbly located, the residence enjoys private club, recreational and social facilities as well as complete grounds maintenance and security.
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Sequestered on 15 open acres in superb hunt country, this National Landmark residence dating to 1780, was restored to original perfection under the direction of a noted architectural historian. New interior systems and conveniences assure modern comfort.
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SPECTACULAR GWATHMY SIEGEL. 2500 sq.ft. apartment, New York City. 3 bedrooms, 3 baths, sunken living room, wood-burning fireplace, separate dining room. Call or write. Maintenance $ 1745. Principals only. 212-752-4800 weekdays, Box 15481, Herald Tribune, 92521 Neuilly Cedex, France.

N.Y.C. LOW 60's, close to Central Park, by owner relocating, high class co-op, low maintenance at $ 600. One bedroom, huge living, dining room, unique terrace, kitchen, garage in building. $ 260,000 (no financing). Call (212) 750-8808.

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